



STEAM Academy (Science, Technology, Engineering, Arts and Math) * Elementary Education

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

**PREPARED BY
MARION P. THOMAS CHARTER SCHOOL**

MARION P. THOMAS CHARTER SCHOOL

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Marion P Thomas

CHARTER SCHOOL

"It Takes A Whole Village To Raise A Child"
125 Sussex Avenue, Newark, New Jersey 07103

January 15, 2025

The Honorable Kevin Dehmer, Acting Commissioner
New Jersey Department of Education
Riverview Executive Plaza – Bldg. 100
P. O. Box 500
Trenton, New Jersey 08625-0500

Dear Acting Commissioner Kevin Dehmer:

We hereby submit the Annual Comprehensive Financial Report of the Marion P. Thomas Charter School (the "Charter School" or "MPTCS") for the fiscal year ended June 30, 2024.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Charter School. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and are reported in a manner designed to fairly present the financial position and result of operations of the various funds of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Charter School's MD&A can be found immediately following the Independent Auditor's Report.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Charter School's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management's discussion and analysis (MD&S) and the basic financial statements including the Charter School-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements and required supplemental information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The Charter School is required to undergo an annual single audit in conformity with the provisions of the *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the New Jersey OMB's Circular 15-08, "*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*." Information related to this single audit, including the auditor's report on internal control and compliance with applicable *laws and regulations* and findings and recommendations are included in the single audit section of this report.

1) Reporting Entity and Its Services

MPTCS is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by National Council on Governmental Accounting (NCGA) Statement No. 3. All funds and account groups of the Charter School are included in this report.

The Charter School provides a full range of educational services appropriate to grade levels Pre-K through 12. This includes regular student enrollment. It accepts special education and handicapped children by law if application is made to Charter School as required by law. The Charter School completed the fiscal year 2023-2024 with an average daily enrollment of 1,376 students. The table below outlines the changes in student enrollment over the last 10 years.

<u>Fiscal Year</u>	<u>Average Student Daily Enrollment</u>	<u>Percentage Change</u>
2023-2024	1,376	1.47%
2022-2023	1,356	1.04%
2021-2022	1,342	-7.45%
2020-2021	1,450	-4.23%
2019-2020	1,514	-2.51%
2018-2019	1,553	14.28%
2017-2018	1,359	2.10%
2016-2017	1,331	1.22%
2015-2016	1,315	1.94%
2014-2015	1,290	72.46%

2) Economic Condition and Outlook

The Charter School is located in the City of Newark (the “City” or “Newark”), which is the largest city in the state. The City serves as the county seat for Essex County, with County, State, Federal Courts and governmental offices attracting a large number of law firms to the central business district.

Newark is a transportation center serviced by Interstate Highway system, NJ Transit, Amtrak Rail Links, and Newark International Airport, as well as container and cargo facilities at Port Newark-Elizabeth.

It is the insurance, finance and banking capital of the State. Headquartered in Newark are a number of large financial institutions including the Prudential Insurance Company, and Blue Cross Blue Shield of New Jersey, as well as the State’s largest public utility, Public Service Electric and Gas Company.

Newark is the site of the New Jersey Institute of Technology, the Newark campus of Rutgers University, Seton Hall Law School and Essex County College. Covering over 320 acres, these colleges serve a population of 45,000 students and faculty.

Like other urban areas, Newark has experienced a decline in its manufacturing base. This phenomenon has caused significant unemployment and underemployment amongst its indigenous working class population. Although Newark has experienced growth in its service sector, this has not had a substantial impact on the City’s employment rate.

The City of Newark is obliged to perform a revaluation of property holdings. Among the concerns voiced in conjunction with this change is the potential effect of any redistribution of property tax burden on economic activity and on the ability of local government to maintain and improve services including its tax contribution for public school purposes.

The City has experienced a surge of large-scale economic development projects initiated by the private sector over the last decade. The increasing number of businesses relocating to the area is expected to result in an increase in employment level, which could result in an increased tax base, both residential and industrial, and a potential increase in annual daily enrollment over time. The period of economic development and expansion is expected to continue which suggests that the Charter School will continue to prosper.

3) **Major Initiatives**

In 2023-2024, Marion P. Thomas Charter School (MPTCS) carried out the following major initiatives:

Academics:

- Continued tier I curriculum implementation in PK-12 and began first year adoption of HMH Into Math (grades K-12), Savvas MyPerspective (grades 6-12), and McGraw-Hill Inspire Science (grades K-8).
- Adopted and implemented a Tier 1 curriculum for Multilingual Learners (MLs).
- Aligned benchmark assessments with NJSLA expectations via LinkIt.
- Partnered with Teach for America Ignite Tutoring program to accelerate third grade literacy achievement.
- Continued our partnership with Children's Literacy Initiative (CLI) to support early literacy district-wide.
- Expanded AP course offerings and dual-enrollment partnerships at the high school level.
- Developed summer learning, after school tutoring, and Saturday academy programs to address learning loss.
- Leveraged community-based partnerships to provide students with experiential learning opportunities (e.g. partnered with Liberty Science Center, Students 2 Science).
- Piloted a partnership with Elevate K-12 learning to provide students with certified teachers in hard to staff subject areas.
- Developed New Teacher Academy in collaboration with Teach for America to support teacher development
- Partnered with Teach for America to host their their summer teacher fellows program

Student Experience:

- Continued to build and expand on our thematic experiences
- Added a culinary program on the elementary level
- Invested in a range of student trips, spirit days, and activities to make learning fun
- Prioritized SEL by partnering with outside entities such as Effective School Solutions
- Continued to offer and expand on clubs and after school activities to engage students
- Invested in student celebrations to recognize academic, social, and emotional achievement
- Hosted extended day activities engage families (i.e. STEM night, Grandparent's Day, Literacy Night, Chat with the Superintendent)
- Expanded Science-based partners and programs to include: Black SciGirls, Bricks 4 Kids, Students to Science, and Liberty Science Center

3) **Major Initiatives**

Attendance:

- Launched a district-wide initiative to decrease overall chronic absenteeism rates by implementing the following strategies:
- Professional Development:
 - Educated school leaders and staff on attendance categories, differentiating ADA and Chronic Absenteeism.
- Parent Education:
 - Informed parents about the attendance policy through the handbook, opening day paperwork, monthly letters, and family engagement events.
- Making Data Visible:
 - Students/Families: Provided monthly letters outlining attendance categories (Perfect, Good, Frequently Absent, Chronically Absent).
 - Staff: Send daily attendance emails to stakeholders showing ADA and strategic goals by campus.
 - Board Members: Shared attendance data with the MPTCS BOT via the Superintendent's Report (Monthly).
- Attendance Celebrations:
 - Hosted monthly village-wide celebrations to promote awareness and encourage good attendance habits, with prizes and incentives for scholars.

4) **Internal Accounting Controls**

Management of the Charter School is responsible for establishing and maintaining internal control designed to ensure 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). The system of 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 awards and state financial assistance, the Charter School also is responsible for ensuring that adequate system of internal controls is in place to ensure compliance with applicable laws and regulations related to those programs. This system of 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 the system of internal controls, including that portion related to federal awards and state financial assistance programs, as well as to determine that the Charter School has complied with applicable laws and regulations.

5) Budgetary Controls

In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with the statutory requirements of charter school budgets. Annual appropriated budgets are adopted for general and special revenue funds. 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 canceled or are included as re-appropriations of fund balance in the subsequent year. No reservation of fund balance was made at June 30, 2024.

During the 2023-2024 fiscal school, the Charter School continued its efforts to improve its audit status and operational processes and procedures, correcting deficiencies identified in previous audits and reviews and on maintaining general compliance with sound fiscal practices.

6) Accounting System and Report

The Charter School's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). The accounting records also reflect New Jersey State Statute (N.J.S.A 18:4-14) that requires a uniform system of double-entry bookkeeping consistent with the GAAP established by GASB for us in all school districts and charter school.

The accounting system is organized on the basis of funds in accordance with the Uniform Charter of Accounts (Handbook 2R2) for New Jersey Public Schools. These funds are explained in "Notes to the Financial Statements", Note 1.

7) **Financial Statement Information at Fiscal Year-End**

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 schedule presents a summary of the General Fund, and Special revenue funds for the fiscal year ended June 30, 2024 fiscal year:

**Summary of the General Fund
and Special Revenue Fund Revenues**

Revenue	2024	2023	Increase/ (decrease)	% Change
Local sources	\$ 2,866,744	\$ 3,055,434	\$ (188,690)	-6.18%
State sources	30,233,099	29,618,386	614,713	2.08%
Federal sources	6,199,405	5,840,314	359,091	6.15%
	<u>\$ 39,299,248</u>	<u>\$ 38,514,134</u>	<u>\$ 785,114</u>	<u>2.04%</u>

The Charter School experienced an insignificant increase in revenue of 2.04%. The insignificant increase was due to flat enrollment in 2023-2024 compared to the prior year 2024.

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

**Summary of the General Fund
and Special Revenue Fund Expenditures**

Expenditures	2024	2023	Increase/ (decrease)	% Change
Instruction	\$ 14,691,204	\$ 12,921,676	\$ 1,769,528	13.69%
Administrative	10,085,149	8,935,521	1,149,628	12.87%
Support	12,814,961	12,672,308	142,653	1.13%
Capital outlay	884,149	636,579	247,570	38.89%
	<u>\$ 38,475,463</u>	<u>\$ 35,166,084</u>	<u>\$ 3,309,379</u>	<u>9.41%</u>

The Charter School experienced an increase in expenditures of 9.41% due to significant increase in COVID-19 related expenditures in 2023-2024.

8) Cash Management

The investment policy of the Charter School is guided in large part by state statute as detailed in “Notes to the Financial Statements”. The Charter School has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) Risk Management

The Board carries various forms of insurance, including but not limited to general liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds and worker’s compensation.

10) Other Information

Independent Audit

State statute requires an annual audit by independent Certified Public Accountants or registered Municipal Accountants. The Charter School appointed the accounting firm of Olugbenga Olabintan, CPA.

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 New Jersey OMB Circular Letter 15-08 “*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*”.

The auditor’s report on the basic financial statements 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.

11) Acknowledgments

A note of appreciation is extended to the Board Finance Committee of the Charter School for their ongoing support and commitment to fiscal integrity and to the Charter School's Board of Trustees for their selfless dedication to improving student achievement.

A special note of appreciation is extended to the Business Office and to all of the business operations staff members for their untiring efforts to improve processes, procedures and audit outcomes. Their contributions in support of the students and staff of the Charter School are truly noteworthy. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial, accounting and administrative staff.

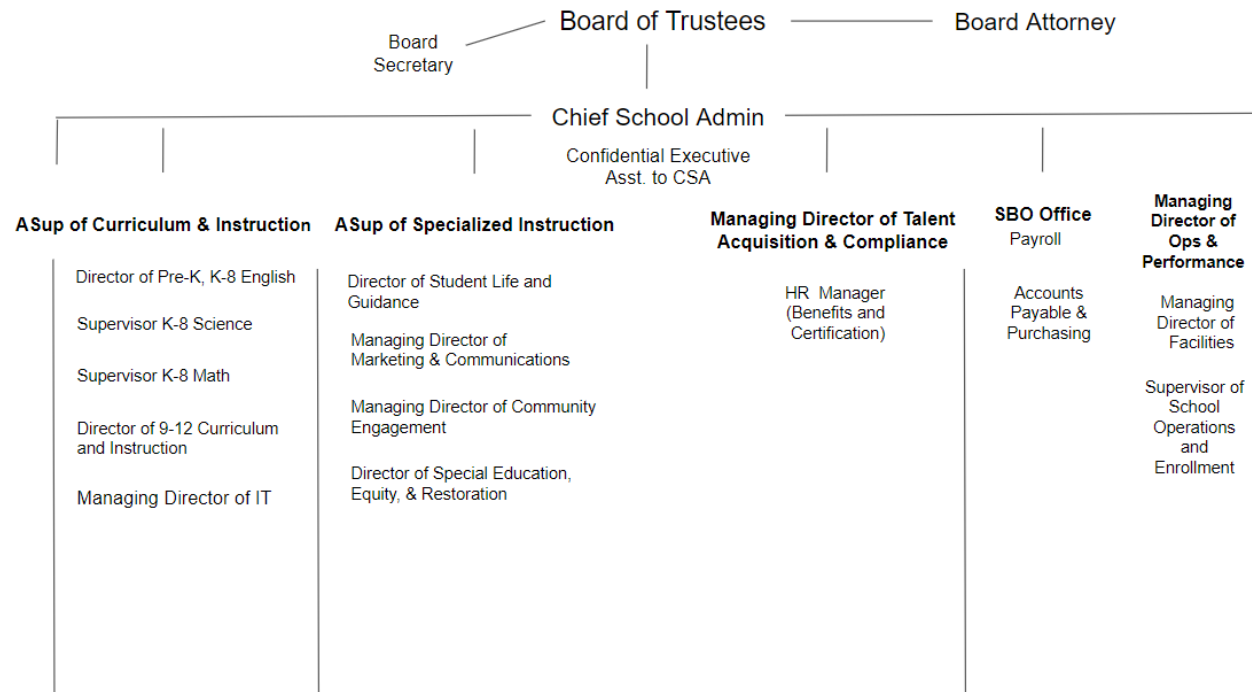
Respectfully submitted,

Josh Solow
School Business Administrator

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**MARION P. THOMAS CHARTER SCHOOLS
(COUNTY OF ESSEX, NEW JERSEY)**

ORGANIZATIONAL CHART



MARION P. THOMAS CHARTER SCHOOL
ROSTER OF TRUSTEES AND OFFICERS

June 30, 2024

Members of Board of Trustees

Pastor Vincent Rouse, Chair, Voting

Dashay Carter, Vice Chair, Voting

Brianna Gilchrist, Member, Voting

Dr. Princess Towe, Member, Voting

Julio Valdivieso, Member, Voting

Alan Boomer, Member, Voting

Toni Ince, Member, Voting

Administration

Angela Mincy, Superintendent/Chief School Administrator, Member, Non-Voting

Josh Solow, School Business Administrator

Elijah Griffiths, Board Secretary, Non-Voting

MARION P. THOMAS CHARTER SCHOOL

Consultants and Advisors

Independent Auditors

Olugbenga Olabintan
Certified Public Accountant/Consultant
137 Camden Street
Newark, NJ 07103

Attorney

Jalloh & Jalloh LLC
21 W. Blancke Street, Suite 2
Linden, NJ 07036

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

Official Depository

Industrial Bank
(successor of City National Bank)
900 Broad Street
Newark, New Jersey 07102

TD Bank
100 Hamilton Plaza
Newark, NJ 07501

Financial Section

Olugbenga Olabintan

Certified Public Accountant/Consultant

137 Camden Street, Suite #3
Newark, NJ 07103

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E-mail: oolabintan@aol.com

Independent Auditor's Report

The Honorable President and
Members of the Board of Trustees
Marion P. Thomas Charter School
Newark, New Jersey
County of Essex

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Board of Trustees of the Marion P. Thomas Charter School, (the "Charter School") 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Charter School as of June 30, 2024, and the respective changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 (GAAS), *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Charter School. 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 and individual nonmajor fund financial statements, schedules 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 section, financial schedules and statistical section 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 I 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 financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

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

Olugbenga Olabintan, CPA

January 15, 2025
Newark, New Jersey

OLUGBENGA OLABINTAN
Certified Public Accountant/Consultant

A handwritten signature in black ink, appearing to read 'Olugbenga Olabintan', with a stylized flourish at the end.

Olugbenga Olabintan, CPA
Licensed Public School Accountant
No. 20CS00230200

Required Supplementary Information

Part I

Management's Discussion and Analysis

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

MARION P. THOMAS CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2024
(Unaudited)

Introduction

This section of the Marion P. Thomas Charter School's annual financial report presents our discussion and analysis of the Charter School's financial performance and provides an overview of the Charter School's financial activities for the fiscal year ended June 30, 2024. It should be read in conjunction with the transmittal letter at the front of this report and the Charter School's financial statements, which follow this section.

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 Statement – 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 required to be presented in the MD&A.

Financial Highlights

Key financial highlights for fiscal year 2024 are as follows:

- Net position of governmental activities ended the fiscal year with \$10,085,945. Net position of business-type activities, which represent food service operations/after care and summer instructional programs, ended the fiscal year with \$163,615.
- General revenues accounted for \$31,471,259 in revenue or 77 percent of total revenues of \$40,730,521. Program specific revenues, in the form of charges for services, grants, and contributions accounted for \$9,259,262 or 23 percent of total revenues.
- The Charter School had \$36,749,648 in expenses related to governmental activities; \$7,821,369 of these expenses is offset by operating grants and contributions. General revenues (primarily state aid) of \$31,471,259 helped to provide for the balance of these programs.
- The General Fund reported fund surplus at June 30, 2024, of \$18,009,357.

MARION P. THOMAS CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2024
(Unaudited)

Using the Basic Financial Statements

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

The report is organized so the reader can understand the Marion P. Thomas Charter School as a financial whole, or as an entire operating entity. The first two basic financial Statements, the Statement of Net Position and the Statement of Activities, are governmental-wide financial statements and provide overall information about the activities of the entire Charter School, presenting both an aggregate view of the Charter School's finances and a long-term view of those finances. The remaining basic financial statements are fund financial statements that focus on the individual parts of the government, reporting the Charter School's operation in more detail than the government-wide statements. The fund financial statements also look at the Charter School's most significant funds with all other non-major funds presented in total in a single column. For the Marion P. Thomas Charter School, the General Fund is the most significant fund.

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

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

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

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

Reporting the Charter School as a Whole

Statement of Net Position and Statements of Activities

While this report contains the fund used by the Charter School to provide programs and activities, the view of the Charter School as a whole looks at all financial transactions and asks the question, "how did we do financially during fiscal year 2024?" The statements of Net Position and the Statement of Activities answer this question. These Statements include all the Charter School's assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

MARION P. THOMAS CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2024
(Unaudited)

Statement of Net Position and Statement of Activities-continued

These two statements report the Charter School's net position and changes in those assets. This change in net position is important because it identifies whether the financial position of the Charter School has improved or diminished for the Charter School as a whole. The cause of this change may be the result of many factors some financial, some not. Non-financial factors include the property tax base of the School District where the Charter School is located, current educational funding laws in New Jersey, facilities conditions, required educational programs, and other factors. In the Statements of Net Position and the Statements of Activities, the Charter School is divided into two distinct kinds of activities:

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

Business-Type Activity – Services are provided on a charge for goods or services or reimbursement basis to recover the expenses of the goods or services provided. The food service operation is reported as a business activity.

Reporting the Charter School's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

MARION P. THOMAS CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2024
(Unaudited)

Enterprise Fund

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

The Charter School as a Whole

The perspective of the Statement of Net Position is of the Charter School as a whole. Net position may serve over time as useful indicator of a government's financial position. In the case of the Charter School, assets exceeded liabilities by \$10,248,660 at the close of 2024. The following table provides a summary of net position relating to the Charter School's governmental and business type activities:

	Governmental Activities		Business Type Acvtivities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current assets	\$ 18,516,247	\$ 18,457,408	\$ 197,724	\$ 225,823	\$ 18,713,971	\$ 18,683,231
Capital assets, net	1,579,087	841,932	-	-	1,579,087	841,932
Right-of-use assets, net	8,874,127	11,552,124			8,874,127	11,552,124
Deferred outflows of resources	409,177	1,179,557	-	-	409,177	1,179,557
Total Assets	29,378,638	32,031,021	197,724	225,823	29,576,362	32,256,844
Liabilities						
Current liabilities	835,790	1,635,116	34,109	(258,553)	869,899	1,376,563
Long term liabilites	7,155,384	7,176,472	-	-	7,155,384	7,176,472
Lease liabilities	9,074,248	11,815,344			9,074,248	11,815,344
Deferred inflows of resources	2,228,171	3,862,024	-	-	2,228,171	3,862,024
Total Liabilities	19,293,593	24,488,956	34,109	(258,553)	19,327,702	24,230,403
Net position						
Invested in						
Capital assets			-	-		
(net of related debt)	1,579,087	841,932	-	-	1,579,087	841,932
Restricted - student activity	-	-	-	-	-	-
Invested in Right-of-use assets	(200,121)	(263,220)	-	-	(200,121)	(263,220)
Unrestricted	8,706,079	6,963,353	163,615	484,376	8,869,694	7,447,729
Total net position	\$ 10,085,045	\$ 7,542,065	\$ 163,615	\$ 484,376	\$ 10,248,660	\$ 8,026,441

MARION P. THOMAS CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2024
(Unaudited)

The largest portion of the Charter School's net position is its current assets. The Charter School uses these current assets to provide services.

The total net position of the Charter School increased by \$2,222,219 during the current fiscal year ended June 30, 2024. The majority of the increase is attributable to an increase of \$2,542,980 in the Governmental Activities net position.

The table that follows reflects the change in net position for fiscal year 2024.

	Governmental Activities		Business Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charge for services	\$ -	\$ -	\$98,530	\$94,629	\$98,530	\$94,629
Operating grants and contributions	7,821,369	7,129,549	1,339,363	1,818,364	9,160,732	8,947,913
Total program revenues	7,821,369	7,129,549	1,437,893	1,912,993	9,259,262	9,042,542
General revenues:						
Local aid	2,432,793	2,457,585	-	-	2,432,793	2,457,585
Federal and state aid	28,774,908	28,391,501	-	-	28,774,908	28,391,501
Miscellaneous	263,558	547,751	-	-	263,558	547,751
Transfers	-	-	-	-	-	-
Total general revenues	31,471,259	31,396,837	-	-	31,471,259	31,396,837
Total revenues	39,292,628	38,526,386	1,437,893	1,912,993	40,730,521	40,439,379
Expenses:						
Instructions	14,691,204	12,921,676	-	-	14,691,204	12,921,676
Administrative & support services	19,233,453	17,982,660	-	-	19,233,453	17,982,660
Capital outlay	-	-	-	-	-	-
Unallocated depreciation	146,994	88,051	-	-	146,994	88,051
Unallocated amortization	2,677,997	1,837,859	-	-	2,677,997	1,837,859
Food service	-	-	1,522,554	1,889,205	1,522,554	1,889,205
			236,100	19,583	236,100	19,583
Total expenses	36,749,648	32,830,246	1,758,654	1,908,788	38,508,302	34,739,034
Change in net position	\$ 2,542,980	\$ 5,696,140	\$ (320,761)	\$ 4,205	\$ 2,222,219	\$ 5,700,345

Governmental Activities

The Statement of Activities reflects the cost of program services and the charges for services and operating grants and contributions offsetting those services. The table below, for government activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by unrestricted state entitlements for the fiscal year ended June 30, 2024.

MARION P. THOMAS CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2024
(Unaudited)

Governmental Activities - *continued*

	Total Cost of Services	Net Cost of Services
Instruction	\$ 14,691,204	\$ 10,191,124
Administrative & support services	19,233,453	16,796,313
Unallocated depreciation and amortization	2,824,991	1,940,842
Total expenses	<u>\$ 36,749,648</u>	<u>\$ 28,928,279</u>

Business-Type Activity

The business-type activity of the Charter School consists of the food service operation and the after-care program. The programs had revenues of \$1,437,893, operating expenses of \$1,758,654 and a current year deficit of \$320,761 for fiscal year 2024. The current year's accumulated fund balance was \$163,615. The Charter School intended to have the food services and the after-care program be self-operating without assistance from the General Fund.

The Charter School's Funds

The Charter School's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues of \$39,299,248 and expenditures of \$38,475,463, with a positive change in fund balance of \$823,785. The positive change in fund balance was due to significant increase in federal grants. The Charter School

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

During the course of fiscal 2024, the Charter School amended its General Fund budget as needed. The Charter School uses state-aid and other revenue-based budget. The budgeting systems are designed to tightly control total budget, but provide flexibility for Charter School's management team.

For the General Fund, final budgeted revenues were \$26,869,785, which included a local tax levy of \$2,432,793. Expenditures and other financing uses were budgeted at \$27,045,220. The Charter School anticipated budgeted fund balance of \$17,016,757 in its 2023-2024 budget year. Actual revenues and other financing sources were \$31,471,259 and expenditures were \$30,654,094.

MARION P. THOMAS CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2024
(Unaudited)

The State of New Jersey reimbursed the Charter School \$615,425 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members. The State also paid \$3,674,275 into the TPAF pension representing on-behalf employer's portion of the Pension System Contributions, Post-Retirement Medical Benefits Contributions and Long-Term Disability Insurance Premium Contributions. These unbudgeted amounts were included in both revenues and expenditures.

Capital Assets

At the end of fiscal year 2024, the Charter School had \$1,579,087 invested in capital assets in its governmental activities.

The Charter School's 2024-2025 budget projects spending approximately \$200,000 for capital projects.

Long-term Liabilities

The Charter School had \$7,155,384 and \$7,176,472 at June 30, 2024 and 2023, respectively, in net pension liability regarding the Public Employees Retirement System. More detailed information about the Charter School's long term obligations is presented in the notes to the financial statements.

Economic Factors and Next Year's Budget

The State of New Jersey and indeed the entire United States continue to face serious budgetary constraints and a result of the sharp downturn in the economy. These impact the amount of state and federal aids allocated to charter schools. This reality was taken into account when adopting the general fund budget for 2024-2025. Nothing was done to compromise the quality of the programs in place in our Charter School during the regular instructional day. The budget was prepared to ensure that all students have the textbooks, materials, supplies, equipment and programs they need to meet New Jersey's Core Curriculum Content Standards. The budget was adopted with a redirection of funds to maintain the quality of the regular school day.

MARION P. THOMAS CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2024
(Unaudited)

COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 21, 2020, New Jersey State Governor Phil Murphy ordered the closure of the physical location of every “non-life sustaining” and “non-essential” business for what may be an extended period of time. The Charter School had to close its physical locations. Future potential impacts may include continued disruptions or restrictions on its employees’ ability to work and impairment of its ability to obtain grants and contributions. Though the impact on the Charter School’s operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund and other state aid and the local tax levy. Nonetheless, the degree of any future impact to the Charter School's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

To date, the overall finances and operations of the Charter School have not been materially adversely affected by the COVID-19 pandemic.

Contacting the Charter School’s Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Charter School’s finances and to reflect the Charter School’s accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to:

MARION P. THOMAS CHARTER SCHOOL
Business Office
125 Sussex Avenue
Newark, New Jersey 07103
973-621-0060

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the Charter School's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the Year Ended June 30, 2024.

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 14,684,712	\$ 121,093	\$ 14,805,805
Restricted cash - escrow	-	-	-
Accounts receivable	3,460,681	76,631	3,537,312
Prepaid rent	-	-	-
Other current assets	370,854	-	370,854
Interfund receivables	-	-	-
Capital assets (net of accumulated depreciation of \$1,875,735)	1,579,087	-	1,579,087
Right-to-use lease asset, net of accumulated amortization of \$12,634,219)	8,874,127	-	8,874,127
Total assets	28,969,461	197,724	29,167,185
Deferred outflows of resources			
Pension deferred outflows	409,177	-	409,177
Total assets and deferred outflows of resources	\$ 29,378,638	\$ 197,724	\$ 29,576,362
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Intergovernmental payables - state and federal	34,067	-	34,067
Deferred revenue	174,951	-	174,951
Interfunds payables	(34,109)	34,109	-
Payroll deductions and withholdings payable	331,981	-	331,981
Compensated absences payable	328,900	-	328,900
Net pension liability	7,155,384	-	7,155,384
Lease liabilities	9,074,248	-	9,074,248
Total liabilities	17,065,422	34,109	17,099,531
Deferred inflows of resources			
Pension deferred inflows	2,228,171	-	2,228,171
Total liabilities and deferred inflows of resources	19,293,593	34,109	19,327,702
Net position			
Invested in capital assets	1,579,087	-	1,579,087
Invested in right-of-use assets	(200,121)	-	(200,121)
Restricted - student activity	-	-	-
Unrestricted, undesignated	8,706,079	163,615	8,869,694
Total net position (Note 18)	10,085,045	163,615	10,248,660
Total liabilities, deferred inflows & net position	\$ 29,378,638	\$ 197,724	\$ 29,576,362

See independent auditor's report and accompanying notes to basic financial statements.

MARION P. THOMAS CHARTER SCHOOL

A-2

Statement of Activities

Year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Totals
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	\$ 14,691,204	\$ -	\$ 4,500,080	\$ (10,191,124)	\$ -	\$ (10,191,124)
Administrative & support services:	-	-	-	-	-	-
General administration	6,418,492	-	-	(6,418,492)	-	(6,418,492)
Support services	12,814,961	-	2,437,140	(10,377,821)	-	(10,377,821)
Capital outlay	-	-	884,149	884,149	-	884,149
Unallocated depreciation	146,994	-	-	(146,994)	-	(146,994)
Unallocated amortization - right-of-use assets	2,677,997	-	-	(2,677,997)	-	(2,677,997)
Total governmental activities	36,749,648	-	7,821,369	(28,928,279)	-	(28,928,279)
Business-type activities:						-
Food service	1,522,554	64,709	1,339,363	-	(118,482)	(118,482)
After care/summer programs	236,100	33,821	-	-	(202,279)	(202,279)
Total business-type activities	1,758,654	98,530	1,339,363	-	(320,761)	(320,761)
Total primary government	\$ 38,508,302	\$ 98,530	\$ 9,160,732	(28,928,279)	(320,761)	(29,249,040)
General revenues, transfers and special items:						
Local sources				2,432,793	-	2,432,793
State sources				28,726,692	-	28,726,692
Federal sources				48,216	-	48,216
Miscellaneous				263,558	-	263,558
Total general revenues, transfers and special items				31,471,259	-	31,471,259
Change in net position				2,542,980	(320,761)	2,222,219
Net position - beginning				7,542,065	452,956	7,995,021
Prior period adjustments				-	31,420	31,420
Net position - ending				\$ 10,085,045	\$ 163,615	\$ 10,248,660

See independent auditor's report and accompanying notes to basic financial statements.

Funds Financial Statements

Governmental Funds

MARION P. THOMAS CHARTER SCHOOL
Governmental Funds

B-1

Balance Sheet

June 30, 2024

	General Fund	Special Revenue Fund	Totals Governmental Funds
Assets			
Cash and cash equivalents	\$ 14,643,732	\$ 40,980	\$ 14,684,712
Restricted cash in escrow	-	-	-
Accounts receivable:	-	-	-
State	29,433	-	29,433
Federal	-	702,028	702,028
Other	2,729,220	-	2,729,220
Prepaid rent	-	-	-
Other current assets	370,854	-	370,854
Interfund receivable	602,166	-	602,166
Total assets	<u>\$ 18,375,405</u>	<u>\$ 743,008</u>	<u>\$ 19,118,413</u>
Liabilities and Fund Balances			
Interfund payables	\$ -	\$ 568,057	\$ 568,057
Accounts payables	-	-	-
Intergovernmental payables - federal	-	-	-
Intergovernmental payables - state	-	-	-
Intergovernmental payables - other	34,067	-	34,067
Payroll deductions and withholdings payable	331,981	-	331,981
Deferred revenue	-	174,951	174,951
Total liabilities	<u>366,048</u>	<u>743,008</u>	<u>1,109,056</u>
Fund balances:			-
Restricted: Student Activity			-
Unreserved:			-
Undesignated	18,009,357	-	18,009,357
Total fund balances	<u>18,009,357</u>	<u>-</u>	<u>18,009,357</u>
Total liabilities and fund balances	<u>\$ 18,375,405</u>	<u>\$ 743,008</u>	

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 funds:

Cost of capital assets	\$ 3,485,756	
Accumulated depreciation	(1,906,669)	
Cost of capital assets, net of accumulated depreciation	<u>\$ 1,579,087</u>	1,579,087

Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 7)

409,177

Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 7)

(2,228,171)

Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)

(7,155,384)

Compensated absences

(328,900)

Right-of-use assets used in governmental activities are not financial resources and therefore are not reported in the funds (see Note 4):

Cost of right-of-use assets	\$ 21,508,346	
Accumulated amortization	(12,634,219)	
Cost of right-of-use assets, net of accumulated amortization	<u>\$ 8,874,127</u>	8,874,127

Lease liabilities used in governmental activities are not financial resources and therefore are not reported in the funds (see Note 5).

(9,074,248)

Net position of governmental activities - A-1

\$ 10,085,045

See independent auditor's report and accompanying notes to basic financial statements.

MARION P. THOMAS CHARTER SCHOOL
Governmental Funds

B-2

Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2024

	General Fund	Special Revenue Fund	Total
Revenues:			
Local sources:			
Local tax levy	\$ 2,432,793	\$ -	\$ 2,432,793
Miscellaneous	263,558	170,393	433,951
Total revenues - local sources	2,696,351	170,393	2,866,744
 Federal sources	 48,216	 6,151,189	 6,199,405
State sources	24,436,992	1,506,407	25,943,399
Reimbursed TPAF-Social Security (non-budgeted)	615,425	-	615,425
TPAF pension and post retirement medical and long-term disability premium benefits on-behalf payments (non-budgeted)	- 3,674,275	- -	- 3,674,275
Total revenues	31,471,259	7,827,989	39,299,248
 Current expense:			
Instruction	10,191,124	4,500,080	14,691,204
Administrative	5,795,449	-	5,795,449
Support services	10,377,821	2,437,140	12,814,961
Capital outlay	-	884,149	884,149
Reimbursed and on-behalf payments:	-	-	-
Reimbursed TPAF-Social Security (non-budgeted)	615,425	-	615,425
TPAF pension and post retirement medical benefits on-behalf payments (non-budgeted)	- 3,674,275	- -	- 3,674,275
Total expenditures	30,654,094	7,821,369	38,475,463
 Excess (deficiency) of revenues over (under) expenditures before special item	 817,165	 6,620	 823,785
 Special item:			
Forgiveness of Paycheck Protection Program (PPP) loan	-	-	-
 Excess (deficiency) of revenues over (under) expenditures after special item	 817,165	 6,620	 823,785
 Fund balances, beginning of year	 17,192,192	 -	 17,192,192
Prior period adjustment	-	(6,620)	(6,620)
Fund balances, beginning of year (restated)	17,192,192	(6,620)	17,185,572
 Fund balances, end of year	 \$ 18,009,357	 \$ -	 \$ 18,009,357

See independent auditor's report and accompanying notes to basic financial statements.

MARION P. THOMAS CHARTER SCHOOL
Reconciliation of the Statement of Revenues, Expenditures
And Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year ended June 30, 2024

B-3

Total net change in fund balances - governmental funds (B-2) \$ 823,785

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

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

Depreciation expense	\$ (146,994)	
Capital outlays	884,149	
		737,155

Adoption of GASB 87 resulted in an increase in right-to-use lease assets offset by the current year amortization of the right-to-use assets, allocated over the term of the leases

Amortization expense	(2,677,997)
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Adoption of GASB 87 resulted in an increase in lease liabilities offset by the current year principal payments on lease liabilities. Principal payments on lease liabilities decrease liabilities in the statement of net position, but are included in the governmental funds as expenses

Principal payments	2,741,096
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Compensated absences	41,100
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Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period

877,841

Change in net position of governmental activities (A-2)	\$ 2,542,980
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See independent auditor's report and accompanying notes to basic financial statements.

Proprietary Funds

MARION P. THOMAS CHARTER SCHOOL
Proprietary Funds

B-4

Statement of Net Position

June 30, 2024

Assets

Current assets:

Cash and cash equivalents	\$ 121,093
Accounts receivable:	-
Federal	74,858
State	1,773
Interfund receivable - general fund	-
Total current assets	<u>\$ 197,724</u>

Noncurrent assets:

Machinery and equipment	311,739
Less: accumulated depreciation	<u>(311,739)</u>
Total noncurrent assets	<u>-</u>
Total assets	<u><u>197,724</u></u>

Liabilities

Current liabilities:

Interfund payable - general fund	\$ 34,109
Accounts payable	-
Total current liabilities	<u>\$ 34,109</u>

Net position

Unrestricted	163,615
Total net position	<u><u>\$ 163,615</u></u>

See independent auditor's report and accompanying notes to basic financial statements.

MARION P. THOMAS CHARTER SCHOOL
Proprietary Funds

B-5

Statement of Revenues, Expenditures and Changes in Net Position

Year ended June 30, 2024

Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ 21,422
Daily sales - nonreimbursable programs	70,003
Miscellaneous revenue	7,105
Total operating revenues	<u>98,530</u>
Operating expenses:	
Cost of sales - reimbursable programs	1,237,707
Cost of sales - nonreimbursable programs	36,182
Salaries	84,197
Employee benefits	-
Professional /technical service	248,665
Supplies and materials	-
Depreciation	-
Miscellaneous	151,903
Total operating expenses	<u>1,758,654</u>
Operating income (loss)	<u>(1,660,124)</u>
Nonoperating revenues:	
State sources:	
State School Lunch Program	14,683
State School Breakfast Program	15,847
Federal sources:	-
National School Lunch Program	799,873
National School Breakfast Program	381,160
After School Snacks	50,627
Fresh Fruits & Vegetable Program	60,054
Healthy, Hunger Free Kids Act (HHFKA)	17,119
Total nonoperating revenues	<u>1,339,363</u>
Net income/(loss) before contributions & transfers	(320,761)
Other financing sources:	
Transfer in/(out) - board contribution	-
	<u>-</u>
Change in net position	(320,761)
Total net position-beginning of year	<u>484,376</u>
Total net position-end of year	<u><u>\$ 163,615</u></u>

See independent auditor's report and accompanying notes to basic financial statements.

MARION P. THOMAS CHARTER SCHOOL
Proprietary Fund

B-6

Statement of Cash Flows

Year ended June 30, 2024

Cash flows from operating activities

Operating loss	\$ (1,660,124)
Adjustment to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	-
Changes in assets and liabilities:	
Accounts receivable	31,036
Due to/(from) general fund	292,662
Accounts payable	-
Net cash used in operating activities	<u>(1,336,426)</u>

Cash flows from noncapital financing activities

Cash received from state reimbursements	30,530
Cash received from federal reimbursements	1,308,833
Operating subsidies and transfers from other funds	-
Net cash provided by noncapital financing activities	<u>1,339,363</u>

Cash flows from investing activities

Purchase of kitchen equipment	-
Net cash used in investing activities	<u>-</u>
	-
Net decrease in cash and cash equivalents	2,937
Cash and cash equivalents, beginning	118,156
Cash and cash equivalents, ending	<u>\$ 121,093</u>

See independent auditor's report and accompanying notes to basic financial statements.

**Fiduciary Funds
Not Applicable**

Notes to Basic Financial Statements

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

1 Description of the Charter School and Reporting Entity

Marion P. Thomas Charter School (the “Charter School” was incorporated in the State of New Jersey on March 13, 1997 as a non-for-profit corporation for the purpose of operating and maintaining a public school under a charter granted by the State of New Jersey, which promotes comprehensive educational reform by infusing innovation into the public education system. It is an instrumentality of the State of New Jersey, established to function as an education institution. The Charter School’s Board of Trustees (the Board) is responsible for the fiscal control of the Charter School. A Chief Executive Officer (Superintendent of School/Chief School Administrator) is appointed by the Board and is responsible for the administrative control of the Charter School. Under the existing the statutes, the Charter School’s duties and powers include, but not limited to the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the Charter School are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Charter School. For the Charter School, this includes general operations, food service and student related activities 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 Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the Charter School. 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 of the Charter School over which the Board exercises operating control. Based on the aforementioned criteria, the Charter School has no component units to be included in the reporting entity. Further, the Charter School is not includable in any other reporting entity on the basis of such criteria.

The Marion P. Thomas Charter School Board of Trustees also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. Its mission is to establish a character school to serve as a neighborhood resource and as a model for other similar schools. The Marion P. Thomas Charter School is committed to achieving the New Jersey Core Curriculum Content Standards and producing high academic achievement by all students. The Charter School will integrate a holistic curriculum, utilize learner center techniques, family and care giver centered approaches, comprehensive community involvement, cutting edge technology and an intimate nurturing environment that will enhance positive self-images.

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

2 Summary of Significant Accounting Policies

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

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

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

A Basis of Presentation

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

Charter School Government-wide Financial Statements

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

The statement of net position presents the financial condition of the governmental and business-type activities of the Charter School at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Charter School's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Charter School, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Charter School.

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

2 Summary of Significant Accounting Policies - *continued*

The governmental activities generally are financed through federal and state awards, taxes and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the Charter School are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Charter School. The New Jersey Department of Education (NJDOE) requires that all funds be reported as major, as it is considered important for public interest and to promote consistency among Charter Schools financial reporting in the State of New Jersey.

B Fund Accounting

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

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Charter Schools' major governmental funds:

General Fund - The General Fund is the primary operating fund of the Charter School. It is used to account for all financial resources except those that are legally or administratively required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

2 Summary of Significant Accounting Policies - *continued*

As required by the New Jersey Department of Education, the Charter School included budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of ground, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. As of June 30, 2024 there was no Capital Projects Fund.

Proprietary Funds

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

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

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

2 Summary of Significant Accounting Policies - *continued*

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

Fiduciary Funds

Fiduciary or trust and Agency Funds are used to account for assets held by the Charter School in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. This fund category includes:

Trust Funds - Expendable Trust Funds (unemployment compensation) are accounted for in essentially the same manner as the governmental funds. The unemployment compensation trust fund is used to account for contributions from employees and the employer (the Charter School) and interest earned on the balance as well as payments to the State for reimbursements of unemployment claims. ***Agency Funds*** – Agency funds (*Payroll, Health Benefits and Student Activity Fund*) are used to account for the assets that the Charter School holds on behalf of others as their agent. Agency funds are custodial in nature and do not involved measurement of results of operations.

GASB Statement No 84 Fiduciary Activities – As of the year ended June 30, 2024, there was no Fiduciary Fund due to the adoption of GASB Statement 84, Fiduciary Activities during the previous year ended June 30, 2021.

C Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. ***Basis of accounting*** refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statements of net position and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statement of these funds present increases (i.e., revenues and other financing sources), and decreases (i.e. Expenditures and other finances uses) during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

2 Summary of Significant Accounting Policies - *continued*

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

Basis of Accounting

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

In the fund financial statements, governmental fund and agency funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. “Measurable” means the amount of the transaction can be determine and “available” means collectible with the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental funds revenues.

D Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue fund. The budgets are submitted to the County Office and the Education Commissioner for approval. Budgets except for the special revenue fund which is prepared using a non-GAAP budgetary basis, are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by Charter School Board resolution at any time during the fiscal year subject to the limitation of P.L. 2004 c73 (S1701). The Board of Trustees did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below.

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

2 Summary of Significant Accounting Policies - *continued*

Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental funds 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 recognized encumbrances as expenditures and also recognized the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow of the presentation of GAAP basis financial reports.

E Cash, Cash Equivalent and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investment with a maturity of three months or less at the time of purchases and are stated at cost plus accrued interest. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchases are stated at cost. All other investments are stated at fair value.

New Jersey Charter Schools are limited as to the types of the investments and types of financial institution they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investment that may be purchased by New Jersey Charter Schools.

Additionally, the Charter School has adopted a cash management plan that requires it to deposit public fund in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from loss funds on deposit with a failed banking institution in New Jersey.

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

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

2 Summary of Significant Accounting Policies - *continued*

F Short-Term Interfund Receivables/Payables

On the fund financial statement, receivable and payables resulting from short-term (due within one year) interfund loans are classified as interfund receivable/payable. Interfund balances within governmental activities and within business-type activities are eliminated on the Government Wide Statements of Net Position.

G Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase. Inventories in the proprietary funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method.

H Capital Assets

Capital assets, which include leasehold improvements, equipment, furniture & fixtures and vehicles are reported in the applicable governmental or business-type activities columns of the Government-wide financial statements. Capital assets are defined by the Charter School as assets with initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company.

The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized. Donated capital assets are capitalized at estimated fair market value on the date donated. Depreciation of capital assets is computed and recorded by the straight-line method. The following estimated useful lives are used to compute depreciation:

<u>Description of Capital Assets</u>	<u>Estimated Lives (Years)</u>
Building improvements	15
Equipment	5-12
Furniture and fixtures	5
Vehicle	5

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

2 Summary of Significant Accounting Policies - *continued*

I Compensated Absences

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

Charter School employees are granted varying amounts of vacation and sick leave in accordance with the Charter School's personnel policy. The Charter School's policy permits employees to accumulate unused sick and personal days and carry forward the full amount to subsequent years. Upon termination or upon retirement, employees are currently not paid for accrued vacation or unused sick and personal days. The Board of the Charter School is currently reviewing the exiting compensated absences policies with the intent of addressing the issues of accumulation and payments upon termination.

The entire sick leave and vacation leave liabilities are reported on the school-wide financial statements.

J Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-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. However, the non-current portion of compensated absences and mortgage payable (if any) that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

K Deferred Revenue

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

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

2 Summary of Significant Accounting Policies - *continued*

L Fund Balance and Equity

In February 2009, the GASB issued GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions ("GASB 54"). GASB 54 is effective for periods beginning after June 15, 2010 and establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which government is bound to observe constraints imposed upon the use of resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. Nonspendable – includes amounts that cannot be spent because they either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned – includes all spendable amounts not contained in the other classifications.

When both restricted and unrestricted resources are available for use, it is the Charter School's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the Charter School first spends committed funds, then assigned funds, and finally, unassigned funds.

M Management Estimates

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

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

2 Summary of Significant Accounting Policies - *continued*

N On-Behalf Payments

Revenues and expenditures of the General Fund include payment made by the state of New Jersey for Pension and social security contributions for certified teacher members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the Charter School's annual budget.

O Net Position

Net position represents the difference between assets and liabilities in the Government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position are reported as restricted in the Government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

P GASB Pronouncements

Adoption of New Accounting Standards

During the previous fiscal year ended June 30, 2021, the Charter School adopted **GASB Statement No. 84, *Fiduciary Activities (GASB 84)***. GASB 84 enhances the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Specifically, GASB 84 establishes criteria for identifying fiduciary activities of all state and local governments. 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. As part of the adoption, the Charter School no longer considers activities in the Unemployment Fund Account, Payroll Agency Fund and Student Activities as fiduciary activities applicable under GASB 84. As a result, the Charter School no longer presents a Statement of Fiduciary Net Position, and records payroll deductions and withholding payable, unemployment activities in the General Fund in the Governmental Fund financial statements.

During the previous fiscal year ended June 30, 2022, the Charter School adopted **GASB Statement No. 87, *Leases***. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors.

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

2 **Summary of Significant Accounting Policies - *continued***

Q **Fair Value of Financial Instruments**

The Charter School follows the accounting and disclosure standards pertaining to GASB 72, Fair Value Measurement and Application, for qualifying assets and liabilities. Fair value is defined as the price that the Charter School would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants at the measurement date.

The Charter School uses a framework for measuring fair value that included a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Charter School. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instruments, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that are developed using market data, such as publicly available information about actual events or transactions, and which reflect the assumptions that market participants would use when pricing an asset or liability. Unobservable inputs are inputs for which market data are not available and that is developed using the best information available about the assumptions that market participants would use when pricing an asset or liability.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 – inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 – inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 – inputs that are unobservable and which require significant judgement or estimation.

An asset or liability level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

3 Deposits and Investments

New Jersey statutes require that Charter Schools deposit public funds in public depositories located in New Jersey that 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 (NJCMF), the New Jersey Arbitrage Rebate Management Fund (NJARM) and the M.B.I.A Class.

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 5% of the average daily balance of collected 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.

The Charter School's cash and cash equivalents are classified below to inform financial statement users about the extent to which the Charter School's deposits and investments are exposed to custodial credit risk. As of June 30, 2024, the Charter School's carrying amount of deposits and investments are as follows:

	General Fund	Special Revenue	Enterprise Funds	Agency Funds	Total
Cash balances	\$ 14,643,732	\$ 40,980	\$ 121,093	\$ -	\$ 14,805,805
	-	-	-	-	-
	<u>\$ 14,643,732</u>	<u>\$ 40,980</u>	<u>\$ 121,093</u>	<u>\$ -</u>	<u>\$ 14,805,805</u>

Operating cash accounts are held in the Charter School's name by two banking institution. At June 30, 2024, the Charter School's carrying amount of deposits was \$14,805,805 and the bank balance was \$16,433,909. Of the bank balance, \$500,000 of the Charter School's cash deposits on June 30, 2024 were secured by federal deposit insurance and \$15,933,909 was covered by a collateral pool maintained by the bank as required by New Jersey statutes in accordance with the New Jersey Governmental Unit Deposit Protection Act ("GUDPA").

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

3 Deposits and Investments - *continued*

Establishment of an Escrow Account

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

GASB Statement No. 40 requires that the Charter School disclose whether its deposits are exposed to custodial risk (risk that in the event of failure of the counterparty, the Charter School would not be able to recover the value of its deposit or investment). In general deposits are considered to be exposed to custodial risk by three categories described below:

Category 1

Insured or collateralized with securities held by the Charter School or by its agent in the Charter School’s name.

Category 2

Collateralized with securities held by the pledging public depository’s trust department or agent in the Charter School’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 Charter School’s name.

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

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

3 Deposits and Investments - *continued*

Investments

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

1. Bonds or other obligations of the United States or obligations guaranteed by the United States.
2. 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.
3. Bonds or other obligations of the Charter School.
4. New Jersey Cash Management Fund, New Jersey Arbitrage Rebate Management Fund and MBIA CLASS.

As of June 30, 2024, the Charter School did not hold any investments.

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4 Capital Assets and Right-to-Use Lease Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2024:

Governmental activities	Beginning Balance	Net Additions (Deletions)	Ending Balance
Capital assets, being depreciated:			
Leasehold improvements	\$ 1,452,356	\$ 884,149	\$ 2,336,505
Equipment	883,980	-	883,980
Vehicle	265,271	-	265,271
Total capital assets being depreciated	<u>2,601,607</u>	<u>884,149</u>	<u>3,485,756</u>
Less accumulated depreciation for:			
Leasehold improvements	695,640	133,303	828,943
Equipment	798,764	13,691	812,455
Vehicle	265,271	-	265,271
Total accumulated depreciation	<u>1,759,675</u>	<u>146,994</u>	<u>1,906,669</u>
Total capital assets net	<u>\$ 841,932</u>	<u>\$ 737,155</u>	<u>\$ 1,579,087</u>

Depreciation expense of \$88,051 was charged to an unallocated function.

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4 Capital Assets and Right-of-Use Lease Assets - *continued*

Changes in right-of-use lease assets are as follows for the fiscal year ended June 30, 2024:

Governmental Activities	Beginning Balance	Net Additions	Ending Balance
Right-of-use lease assets			
Premises	\$ 21,508,346	\$ -	\$ 21,508,346
Total cost	21,508,346	-	21,508,346
Less - accumulated depreciation			
Premises	9,956,222	2,677,997	12,634,219
Total accumulated amortization	9,956,222	2,677,997	12,634,219
Right-of-use lease assets - net	\$ 11,552,124	\$ (2,677,997)	\$ 8,874,127
Business-Type Activities			
School building leases	\$ 311,739	\$ -	\$ 311,739
Less: accumulated amortization	(311,739)	-	(311,739)
Right-of-use lease assets - net	\$ -	\$ -	\$ -

5 Lease Obligations

Lease Agreements – Implementation of GASB 87

The Charter School leases its premises under the terms of several non-cancelable leases. Certain leases are automatically renewed upon the charter renewal and can be extended through various dates.

The leases required aggregate monthly cash payments of approximately \$3,036,996 during the year ended June 30, 2024. Interest expense on the leases was \$648,144 for the year ended June 30, 2024 which is reflected as lease interest expense on the accompanying budgetary comparison schedule – general fund (exhibit C-1).

The net value of the right-of-use assets was \$8,874,127 as of June 30, 2024 which was calculated using discount rates ranging from 3.25% to 5.25% (the Charter School's estimated incremental borrowing rates).

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5 Lease Obligations - continued

Lease Agreements – Implementation of GASB 87 - continued

The net value of the lease liabilities June 30, 2024 was \$9,074,248. Amortization of the related right-of-use lease assets was \$2,677,997 for the year ended June 30, 2024.

Future minimum payments under these agreements and future amortization are as follows:

Year ending June 30:	Principal	Interest	Amortization
2025	\$ 2,878,193	\$ 380,631	\$ 2,677,997
2026	3,022,327	236,499	2,677,997
2027	3,173,728	84,967	2,677,997
2028	-	-	840,136
2029	-	-	-
Thereafter	-	-	-
	\$ 9,074,248	\$ 702,097	\$ 8,874,127

Description of Lease Terms

Facilities Lease

The Charter School leases its facilities under several operating lease agreements:

121-129 Sussex Avenue, Newark, New Jersey Lease

The Charter School leases classroom and office space at **121-129 Sussex Avenue, Newark** for its High School at an annual rent of approximately \$1.2 million.

370 South 7th Street, Newark, New Jersey Lease

The Charter School leases classroom and office space at **370 South 7th Street, Newark, New Jersey** at an annual rent of approximately \$816,000.

28-34 Burnet Street, Newark, New Jersey Lease

The Charter School leases classroom and office space at **28-34 Burnet Street, Newark, New Jersey** at an annual rent of approximately \$850,000.

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5 Lease Obligations - continued

Description of Lease Terms - continued

Facilities Leases - continued

88-108 Shipman, Newark, New Jersey - Sublease

The Charter School is the primary lessee on the **88-108 Shipman, Newark, New Jersey – Sublease**. The sub-lessee is another New Jersey charter school. The Charter School does not charge a premium on the annual rental amount due from the sub-lessee – effectively serving as a pass through to the landlord. The annual rent due/payable under the sub-lease arrangement is approximately \$480,000.

534-544 Clinton Avenue, Newark, New Jersey - Sublease

The Charter School is the primary lessee on the **534-544 Clinton Avenue, Newark, New Jersey – Sublease**. The sub-lessee is another New Jersey charter school. The Charter School does not charge a premium on the annual rental amount due from the sub-lessee – effectively serving as a pass through to the landlord. The annual rent due/payable under the sub-lease arrangement is approximately \$450,000.

Equipment Leases

The Charter School leases office equipment (copiers) under several operating lease agreements. For the year ended June 30, 2024, the Charter School incurred \$106,700 in equipment lease expenditures.

Future minimum lease payments required under the operating leases are as follows:

Year ending June 30:	121-139 Sussex Avenue	370 7th South Street	23-34 Burnet Street	88-108 Shipman Street	534-544 Clinton Avenue	Total
2025	\$ -	\$ 816,000	\$ 851,916	\$ -	\$ -	\$ 1,667,916
2026	-	816,000	851,916	-	-	1,667,916
2027	-	816,000	852,108	-	-	1,668,108
2028	-	897,000	852,108	-	-	1,749,108
2029	-	897,000	852,624	-	-	1,749,624
Thereafter	-	19,704,360	2,558,280	-	-	22,262,640
	<u>\$ -</u>	<u>\$ 23,946,360</u>	<u>\$ 6,818,952</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,765,312</u>

Prepaid Rent – During the year ended June 30, 2024, the Charter School paid \$2,000,000 to its landlord, Friends of Marion P. Thomas, a related party. The amount was to assist the landlord in refinancing the mortgages on its properties leased to the Charter School. The prepaid amount would be applied to reduce future lease payments.

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6 Pension Plans

Description of Plans

Substantially all of the employees of the Charter School are covered by either the Public Employee's Retirement System or the Teacher's Pension and Annuity Fund (both of which are contributory defined benefits plans). Both were established by state statute and are administered by the New Jersey Division of Pension and Benefit (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate.

The 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 for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the formulas mentioned above, but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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6 Pension Plans - *continued*

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the formulas mentioned above, but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

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6 Pension Plans - *continued*

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board.

PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

The Charter School's contribution to PERS for the year ended June 30, 2024 was \$660,254.

In accordance with N.J.S.A 18A:66-66 the State of New Jersey reimbursed the Charter School \$615,425 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. Also, the State paid \$3,674,275 into the TPAF pension representing on-behalf employer's portion of the TPAF Pension System Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long Term Disability Insurance Premium Contributions for the Charter School. These amounts have been included in the school wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

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Notes to the Basic Financial Statements
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7 Pension Plans – GASB 68 Disclosures

Teachers' Pension and Annuity Fund (TPAF)

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

The employer contributions for the Charter School are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the Charter School (employer) is 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 Charter School (employer) does 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 Charter School. However, the state's portion of the net pension liability that was associated with the Charter School was \$41,350,804 as measured on June 30, 2023 and \$39,485,636 as measured on June 30, 2022.

For the year ended June 30, 2024, the Charter School recognized pension expense of \$1,015,869 and revenue of \$1,015,869 for support provided by the State. The measurement period for the pension expense and revenue reported in the Charter School's financial statements (A-2) at June 30, 2024 is based upon changes in the collective net pension liability with a measurement period of June 30, 2022 through June 30, 2023. Accordingly, the pension expense and the related revenue associated with the support provided by the State are based upon the changes in the collective net pension liability between July 1, 2022 and June 30, 2023.

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Notes to the Basic Financial Statements
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7 Pension Plans – GASB 68 Disclosures - *continued*

Teachers' Pension and Annuity Fund (TPAF) - *continued*

Although the Charter School does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the Charter School. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$ 2,413,548,676	\$ 4,885,289,911
Collective deferred inflows of resources	\$14,741,373,312	\$19,563,805,393
Collective net pension liability (non-employer State of New Jersey)	\$51,032,669,551	\$51,594,415,806
State's portion of the net pension liability that was associated with the Charter School	\$ 41,350,804	\$ 39,485,636
State's portion of the net pension liability that was associated with the Charter School as a percentage of the collective net pension liability	0.081028%	0.076531%

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate - price	2.75%
Inflation rate - wage	3.25%
Salary increases: thereafter	2.75% - 4.25% based on years of service
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

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7 Pension Plans – GASB 68 Disclosures - *continued*

Teachers' Pension and Annuity Fund (TPAF) - *continued*

Actuarial Assumptions - continued

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 1, 2022 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 - continued

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 Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

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7 Pension Plans – GASB 68 Disclosures - *continued*

Teachers' Pension and Annuity Fund (TPAF) - *continued*

Long-Term Expected Rate of Return - continued

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Equity	28.00%	8.98%
Non-US 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 State's total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

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7 Pension Plans – GASB 68 Disclosures - *continued*

Teachers' Pension and Annuity Fund (TPAF) - *continued*

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

Since the Charter School's has no proportionate share of the net pension liability because of the special funding situation, the Charter School would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at: <https://www.nj.gov/treasury/pensions/documents/financial/gasb/gasb68-tpaf23.pdf>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at: <https://www.nj.gov/treasury/pensions/gasb-notices.shtml>

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Notes to the Basic Financial Statements
Year Ended June 30, 2024

7 Pension Plans – GASB 68 Disclosures - *continued*

Public Employees' Retirement System (PERS)

Summary of Significant Accounting Policies

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

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

At June 30, 2024, the Charter School reported a liability of \$7,155,384 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 to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2022. The Charter School's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2023 and 2022, respectively. At June 30, 2023, the Charter School's proportion was 0.0494007133% which was an increase of 0.0018472507% from its proportion measured as of June 30, 2022 which was 0.0475534626%.

For the year ended June 30, 2023, the Charter School recognized pension expense of \$660,254. At June 30, 2023, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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7 Pension Plans – GASB 68 Disclosures - continued

Public Employees' Retirement System (PERS) - continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 68,415	\$ 29,249
Changes in assumptions	15,719	433,647
Net difference between projected and actual earnings on pension plan investments	32,951	-
Changes in proportion and differences between Charter School's contributions and proportionate share of contributions	292,092	1,765,275
Subtotal	409,177	2,228,171
Charter School's contributions subsequent to the measurement date	660,254	-
Total	<u>\$ 1,069,431</u>	<u>\$ 2,228,171</u>

\$660,254 reported as deferred outflows of resources related to pensions resulting from school Charter School contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2024, the plan measurement date is June 30, 2023) will be recognized as a reduction of the net pension liability measured as of June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	Pension Expense
2024	\$ (1,987,142)
2025	(1,109,146)
2026	1,549,958
2027	(277,381)
2028	4,718
Thereafter	-
	<u>\$ (1,818,994)</u>

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Notes to the Basic Financial Statements
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7 Pension Plans – GASB 68 Disclosures - *continued*

Public Employees' Retirement System (PERS) - *continued*

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

	June 30, 2023	June 30, 2022
Collective deferred outflows of resources	\$ 1,101,221,923	\$ 1,715,543,211
Collective deferred inflows of resources	\$ 1,648,476,259	\$ 4,112,583,758
Collective net pension liability (Non-State Local Group)	\$ 14,484,374,047	\$ 15,091,376,611
Charter School's portion of the net pension liability	\$ 7,155,384	\$ 7,176,472
Charter School's proportion (percentage)	0.04940071%	0.04755346%

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation rate - price	2.75%
Inflation rate - wage	3.25%
Salary increases: thereafter	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-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

MARION P. THOMAS CHARTER SCHOOL
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Notes to the Basic Financial Statements
Year Ended June 30, 2024

7 Pension Plans – GASB 68 Disclosures - *continued*

Public Employees' Retirement System (PERS) - *continued*

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:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Equity	28.00%	8.98%
Non-US 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%

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Notes to the Basic Financial Statements
Year Ended June 30, 2024

7 Pension Plans – GASB 68 Disclosures - *continued*

Public Employees' Retirement System (PERS) – *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 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

MARION P. THOMAS CHARTER SCHOOL
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Notes to the Basic Financial Statements
Year Ended June 30, 2024

7 Pension Plans – GASB 68 Disclosures - *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

The following presents 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 collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

2023			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the pension liability	<u>\$ 9,393,319</u>	<u>\$ 7,155,384</u>	<u>\$ 5,362,277</u>
2022			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the pension liability	<u>\$ 9,297,746</u>	<u>\$ 7,176,472</u>	<u>\$ 5,483,684</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at: <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

8 Post Retirement Benefits

Plan Description and Benefits Provided

The Charter School is in a "special funding situation", as described in GASB Statement No. 75, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the Charter School.

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

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

The total non-employer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

Employees Covered by Benefit Terms.

At June 30, 2023, the following employees were covered by the benefit terms:

Active plan member = 217,212

Inactive plan members entitled to but not yet receiving benefits = 152,383

Inactive plan members or beneficiaries currently receiving benefits = -0-

Total plan members = 369,595

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

8 Post Retirement Benefits – continued

Total Non-employer OPEB Liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The Charter School's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the Charter School did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State's ACFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>)

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2029	2.75 to 5.65% based on years of service	2.75 to 6.55% based on years of service
Thereafter	2.75 to 5.65% based on years of service	2.75 to 6.55% based on years of service

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

8 Post Retirement Benefits – *continued*

Actuarial Assumptions and Other Inputs - *continued*

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2023. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2023. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2023.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, and July 1, 2014 - June 30, 2018 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2024 through 2024 are reflected. For PPO the trend is initially 5.74% in fiscal year 2025, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01 % in fiscal year 2025, increasing to 15 .23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% 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 for June 30, 2023 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

8 Post Retirement Benefits – continued

Changes in the Total OPEB Liability Reported by the State of New Jersey

	Increase/(Decrease) Total OPEB Liability
Balance as of June 30, 2022 measurement date	\$ 50,646,462,966
Changes recognized for the fiscal year:	
Service cost	\$ 2,136,235,476
Interest on total OPEB liability	1,844,113,951
Changes of benefit terms	-
Difference between expected and actual experiences	(980,424,863)
Effect of changes of assumptions	105,539,463
Gross benefits paid by the State	(1,437,516,858)
Contributions from the members	47,258,104
Net changes	\$ 1,715,205,273
Balance as of June 30, 2023 measurement date	\$ 52,361,668,239

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.65%; as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current rate:

	2023		
	At 1% Decrease (2.65%)	At 1% Discount Rate (3.65%)	At 1% Increase (4.65%)
Total OPEB liability attributable to the Charter School	\$ 18,816,683	\$ 16,050,694	\$ 13,829,926
	2022		
	At 1% Decrease (2.54%)	At 1% Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB liability attributable to the Charter School	\$ 14,530,772	\$ 12,362,461	\$ 10,624,668

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

8 Post Retirement Benefits – continued

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the Charter School as of June 30, 2023 and 2022, respectively, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the Charter School would be if it were calculated using a healthcare trend rate that is I-percentage-point lower or I-percentage-point higher than the current rate:

2023			
	<u>At 1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>At 1% Increase</u>
Total OPEB liability attributable to the Charter School	<u>\$ 13,324,551</u>	<u>\$ 16,050,694</u>	<u>\$ 19,617,860</u>
2022			
	<u>At 1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>At 1% Increase</u>
Total OPEB liability attributable to the Charter School	<u>\$ 10,218,330</u>	<u>\$ 12,362,461</u>	<u>\$ 15,178,908</u>

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

For the fiscal year ended June 30, 2024 the Charter School recognized OPEB expense of \$2,210,955 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

In accordance with GASB Statement 75, as the Charter School's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

8 Post Retirement Benefits – continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 7,639,717,639	\$ 13,791,541,217
Net difference between expected and actual earnings on OPEB plan investments	-	-
Assumption changes	7,445,895,322	14,449,948,556
Subtotal	15,085,612,961	28,241,489,773
Contributions made in fiscal year ending June 30, 2024 after the measurement date	TBD	N/A
Total	\$ TBD	\$ 28,241,489,773

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

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

9 Deferred Compensation

The Charter School offers its employees a deferred compensation plan created in accordance with the IRS code 403(b). The plan which is administered by AXA Equitable permits participants to defer a portion of their salaries until future years.

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

10 Economic Dependency

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

11 Contingent Liabilities

The Charter School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Charter School may be required to reimburse the grantor government.

As of June 30, 2024, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Charter School of Newark believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Charter School.

The Charter School's attorney's letter advises the following:

"Please be advised that there was no pending or threatened litigation against the Charter School as of June 30, 2024. Please be further advised that throughout 2023/2024 fiscal year, there was no legal matter in which our firm devoted attention on behalf of the Charter School in the form of legal consultation or representation. Furthermore, in accordance with the mandates of Statement of Financial Accounting Standard No. 5, I am unaware of any unasserted possible claims against the Charter School."

"We advise you that we have not been engaged to give substantive attention to, nor represent the School in connection with, any pending or overtly threatened litigation likely to be filed against the School, to which we have devoted substantial attention, except a pending labor grievance, which concerns a demand for back-pay for an immaterial sum."

12 Subsequent Events

The Charter School has evaluated all subsequent events occurring through the date of the independent auditor's report which is the date the financial statements were available to be issued. Based on this evaluation, the Charter School has determined that no subsequent events require disclosure in the financial statements.

13 Fund Balance Appropriated – General Fund (Exhibit B- 1)

The fund balance as of June 30, 2024 was \$18,009,357 which was unreserved and undesignated.

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

14 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 and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (UNAUDITED) of this Annual Comprehensive Financial Report. **New Jersey Unemployment Compensation** - The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Charter School is required to reimburse the New Jersey Unemployment Trust Fund For benefits paid to its former employees and charged to its account with the State.

15 Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2024 is as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 602,166	\$ -
Special Revenue Fund	-	568,057
Enterprise Fund	-	34,109
Trust and Agency Fund	-	-
	<u>\$ 602,166</u>	<u>\$ 602,166</u>

The above balances are the results of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in negative position. Liquidation of these interfund balances is expected within the next fiscal year.

16 Related Party – Friends of Marion P. Thomas Charter School

Friends of Marion P. Thomas Charter School (the Friends), a New Jersey State non-profit organization is related to the Charter School. The Friends was instrumental in the initial formation and establishment of the Charter School. The Friends is the landlord of the Charter School's facilities.

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

17 Receivables

Receivables as of June 30, 2024 consisted of accounts, intergovernmental, grants and miscellaneous receivables. All receivables are considered collectible in full. A summary of the principal items of receivables is as follows:

State aid	\$ 31,206
Federal aid	776,886
Other	<u>2,729,220</u>
Total receivables	<u><u>\$ 3,537,312</u></u>

18 Risk and Uncertainties – COVID-19 and Its Impact

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 21, 2020, New Jersey State Governor Phil Murphy ordered the closure of the physical location of every “non-life sustaining” and “non-essential” business.

The Charter School’s operations are heavily dependent on both federal and state grant revenues. Its physical locations were closed from March 2020 through September 2020. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such it is uncertain as to the full impact that the pandemic will have on the Charter School’s financial condition, liquidity, and future results of operations. Management is actively monitoring the situation on its financial condition, liquidity and operations. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the COVID-19 pandemic. Nevertheless, the COVID-19 pandemic presents material uncertainty and risk with respect to the Charter School its performance, and its financial results.

However, it should be noted that as of the date of this report, the Charter School’s various federal and state grants have not been materially impacted.

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to the Basic Financial Statements
Year Ended June 30, 2024

19 Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences between the Governmental Fund Balance Sheet (B-1) and the Government-wide Statement of Net Position (A-1).

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position - governmental activities as reported in the Government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including deferred pension liability are not due and payable in the current period and therefore are not reported in the funds. The reconciliation is as follows:

Fund balance per B-1	\$ 18,009,357
Cost of capital assets net accumulated depreciation	1,579,087
Pension deferred outflows	409,177
Pension deferred inflows	(2,228,171)
Deferred pension liability as of June 30, 2024	(7,155,384)
Compensated absences as of June 30, 2024	(328,900)
Cost of right-of-use lease assets, net of accumulated amortization	8,874,127
Principal balance of lease liabilities	(9,074,248)
Net position (per A-1) as of June 30, 2024	<u><u>\$ 10,085,045</u></u>

Required Supplementary Information

Part II

Budgetary Comparison

**MARION P. THOMAS CHARTER SCHOOL
General Fund**

C-1

Budget Comparison Schedule

Year ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local Sources:					
Local tax levy	\$ 2,432,793	\$ -	\$ 2,432,793	\$ 2,432,793	\$ -
Miscellaneous	-	-	-	263,558	263,558
Total revenues -local sources	<u>2,432,793</u>	<u>-</u>	<u>2,432,793</u>	<u>2,696,351</u>	<u>263,558</u>
State sources:					
Federal aid - SEMI	-	-	-	48,216	48,216
State aid	24,612,427	(175,435)	24,436,992	24,436,992	-
Reimbursed TPAF-Social Security (non-budgeted)	-	-	-	615,425	615,425
TPAF - Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	785,593	785,593
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)	-	-	-	2,886,476	2,886,476
Long Term Disability Insurance (On-Behalf-Non-Budgeted)	-	-	-	2,206	2,206
Total -state sources	<u>24,612,427</u>	<u>(175,435)</u>	<u>24,436,992</u>	<u>28,774,908</u>	<u>4,337,916</u>
Total revenues	<u>27,045,220</u>	<u>(175,435)</u>	<u>26,869,785</u>	<u>31,471,259</u>	<u>4,601,474</u>
Expenditures					
Current expense:					
Instruction					
Salaries of teachers	8,434,523	(644,086)	7,790,437	7,779,313	11,124
Other salaries for instruction	1,519,970	323,221	1,843,191	1,837,191	6,000
Purchased profesional technical services	610,000	(502,131)	107,869	84,056	23,813
Other purchased services	225,000	(184,665)	40,335	28,981	11,354
General educational supplies	450,000	(216,868)	233,132	198,270	34,862
Textbooks	150,000	(108,320)	41,680	3,900	37,780
Miscellaneous expenses	165,000	105,791	270,791	259,413	11,378
	<u>11,554,493</u>	<u>(1,227,058)</u>	<u>10,327,435</u>	<u>10,191,124</u>	<u>136,311</u>

MARION P. THOMAS CHARTER SCHOOL
General Fund

C-1

Budget Comparison Schedule

Year ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Administrative cost:					
Salaries	1,880,305	(864,075)	1,016,230	1,010,560	5,670
Total benefit costs	4,500,850	(255,575)	4,245,275	4,171,959	73,316
Professional /Technical service	37,000	10,500	47,500	47,500	-
Other purchased services	50,000	196,790	246,790	246,790	-
Communications and Telephones	60,000	7,239	67,239	63,351	3,888
Supplies and materials	50,000	(28,695)	21,305	10,763	10,542
Judgment against charter school	194,000	(12,437)	181,563	177,016	4,547
Miscellaneous expenses	44,500	25,480	69,980	67,510	2,470
	<u>6,816,655</u>	<u>(920,773)</u>	<u>5,895,882</u>	<u>5,795,449</u>	<u>100,433</u>
Support services:					
Salaries	3,559,195	2,063,704	5,622,899	5,524,557	98,342
Purchased prof/tech service	355,004	11,378	366,382	365,645	737
Other purchased services	1,022,407	(394,332)	628,075	556,110	71,965
Rent on land and buildings - other than Lease Purchase Agreements	2,718,045	321,022	3,039,067	3,036,996	2,071
Insurance-fidelity, liability property	262,500	24,025	286,525	283,130	3,395
Supplies and materials	146,921	63,793	210,714	100,248	110,466
Energy & Utilities	440,000	94,342	534,342	414,450	119,892
Miscellaneous expenses	-	-	-	-	-
Transportation other than to/from school	80,000	53,899	133,899	96,685	37,214
Lease interest expense	-	-	-	-	-
Principal payments on lease liabilities	-	-	-	-	-
Food Services - Transfer to cover deficit	-	-	-	-	-
Total support services	<u>8,584,072</u>	<u>2,237,831</u>	<u>10,821,903</u>	<u>10,377,821</u>	<u>444,082</u>

MARION P. THOMAS CHARTER SCHOOL
General Fund

C-1

Budget Comparison Schedule

Year ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital outlay:					
Instructional equipment	-	-	-	-	-
Non-instructional equipment	40,000	(40,000)	-	-	-
Purchase land/improvements	50,000	(50,000)	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total capital outlay	90,000	(90,000)	-	-	-
Reimbursed TPAF-Social Security (non-budgeted)	-	-	-	615,425	(615,425)
TPAF - Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	785,593	(785,593)
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)	-	-	-	2,886,476	(2,886,476)
Long Term Disability Insurance (On-Behalf-Non-Budgeted)	-	-	-	2,206	(2,206)
Total expenditures	27,045,220	-	27,045,220	30,654,094	63,195
Excess (deficiency) of revenues over (under) expenditures before special item	-	(175,435)	(175,435)	817,165	992,600
Special item:					
Forgiveness of Paycheck Protection Program (PPP) loan	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures after special item	-	(175,435)	(175,435)	817,165	992,600
Fund balances, beginning of year	17,192,192	-	17,192,192	17,192,192	-
Fund balances, end of year	<u>\$ 17,192,192</u>	<u>\$ (175,435)</u>	<u>\$ 17,016,757</u>	<u>\$ 18,009,357</u>	<u>\$ 992,600</u>

MARION P. THOMAS CHARTER SCHOOL
Special Revenue Fund

C-2

Budget Comparison Schedule
Budgetary Basis
Year ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Federal sources	\$ 6,151,189	\$ -	\$ 6,151,189	\$ 6,151,189	\$ -
State sources	1,506,407	-	1,506,407	1,506,407	-
Local sources	163,773	-	163,773	170,393	(6,620)
Total revenues -all sources	<u>7,657,596</u>	<u>-</u>	<u>7,657,596</u>	<u>7,657,596</u>	<u>-</u>
Expenditures					
Current Expenditures:					
Instruction:					
Salaries of teachers	1,348,452	-	1,348,452	1,348,452	-
Purchased Prof. and technical services	2,107,600	-	2,107,600	2,107,600	-
Other purchased services	49,084	-	49,084	49,084	-
General supplies	953,534	-	953,534	953,534	-
Miscellaneous expenditures	41,410	-	41,410	41,410	-
Total instruction	<u>4,500,080</u>	<u>-</u>	<u>-</u>	<u>4,500,080</u>	<u>-</u>
Support services					
Support services salaries	127,848	-	127,848	127,848	-
Employee benefits	427,009	-	427,009	427,009	-
Purchased professional services	1,523,726	-	1,523,726	1,523,726	-
Other purchased services	115,028	-	115,028	115,028	-
Rental	-	-	-	-	-
Supplies	224,648	-	224,648	224,648	-
Miscellaneous expenditures	15,392	-	15,392	15,392	-
Student activities	3,489	-	3,489	3,489	-
Total support services	<u>2,437,140</u>	<u>-</u>	<u>2,437,140</u>	<u>2,437,140</u>	<u>-</u>
Capital Outlay:					
Facilities acquisition and construction services					
Instructional equipment	-	-	-	-	-
Noninstructional equipment	-	-	-	-	-
Construction services	884,149	-	884,149	884,149	-
Total facilities acquisition and construction services	<u>884,149</u>	<u>-</u>	<u>884,149</u>	<u>884,149</u>	<u>-</u>
Total expenditures	<u>\$ 7,821,369</u>	<u>\$ -</u>	<u>\$ 3,321,289</u>	<u>\$ 7,821,369</u>	<u>\$ -</u>

Notes to Required Supplementary Information

MARION P. THOMAS CHARTER SCHOOL
Note to Required Supplementary Information
Budget to GAAP Reconciliation

C-3

Year ended June 30, 2024

		<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule:	[C-1]	\$ 31,471,259	
	[C-2]		\$ 6,741,725
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 reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>\$ 31,471,259</u>	<u>\$ 6,741,725</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 30,654,094	
	[C-2]		\$ 6,741,725
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfer (outflows) to general fund		<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 30,654,094</u>	<u>\$ 6,741,725</u>

Note 1) The general fund budget basis of the use/outflow of resources is GAAP, therefore no reconciliation is required.

MARION P. THOMAS CHARTER SCHOOL

L-1

Schedule of the Charter School's Proportionate Share of the Net Pension Liability - PERS
 Last Ten Fiscal Years
 (Unaudited)

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Charter School's proportion of the net pension liability (assets)	0.0494007133%	0.0475534626%	0.0005007206%	0.0006107795%	0.0705552755%	0.0662089355%	0.0471549230%	0.0348643606%	0.0259848477%	0.0260107656%
Charter School's proportionate share of the net pension liability (assets)	7,155,384	7,176,472	5,931,786	9,960,217	12,712,990	13,036,210	10,976,913	10,325,824	5,833,078	4,869,927
Charter School's covered employee payroll	\$ 6,243,254	\$ 6,120,837	\$ 5,829,369	\$ 4,486,343	\$ 5,242,015	\$ 6,944,253	\$ 7,729,503	\$ 7,821,775	\$ 1,992,972	\$ 1,992,972
Charter School's proportionate share of the net pension liability (assets) as a percentage of its covered employee payroll	114.61%	117.25%	101.76%	222.01%	242.52%	187.73%	142.01%	132.01%	292.68%	244.36%
Plan fiduciary net position as a percentage of the total pension liability - local	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	40.14%	48.10%	40.14%	47.93%

MARION P. THOMAS CHARTER SCHOOL

L-2

Schedule of the Charter School's Contributions - PERS
 Last Ten Fiscal Years
 (Unaudited)

	2023	2022	2021	2020	Fiscal Year Ended June 30,		2017	2016	2015	2014
					2019	2018				
Contractually required contribution	\$ 660,254	\$ 599,672	\$ 586,402	\$ 668,162	\$ 686,295	\$ 658,565	\$ 436,840	\$ 309,730	\$ 223,400	\$ 215,281
Contribution in relation to the contractually required contribution	(660,254)	(599,672)	(586,402)	(668,162)	(686,295)	(658,565)	(436,840)	(309,730)	(223,400)	(215,281)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charter School's covered employee payroll	\$ 6,243,254	\$ 6,120,837	\$ 5,829,369	\$ 4,486,343	\$ 5,242,015	\$ 6,944,253	\$ 7,729,503	\$ 7,821,775	\$ 1,992,972	\$ 1,992,972
Contributions as a percentage of covered employee payroll	10.58%	9.80%	10.06%	14.89%	13.09%	9.48%	5.65%	3.96%	11.21%	10.80%

MARION P. THOMAS CHARTER SCHOOL

L-3

Schedule of the Charter School's Proportionate Share of the Net Pension Liability - TPAF
Last Ten Fiscal Years
(Unaudited)

	2023	2022	2021	2020	Fiscal Year Ended June 30,		2017	2016	2015	2014
					2019	2018				
Charter School's proportion of the net pension liability (assets)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charter School's proportionate share of the net pension liability (assets)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (assets) associated with the Charter School	\$ 41,350,804	\$ 39,485,636	\$ 36,121,832	\$ 57,261,634	\$ 44,476,410	\$ 36,811,353	\$ 33,913,683	\$ 36,183,255	\$ 27,860,731	\$ 21,571,899
Total	<u>\$ 41,350,804</u>	<u>\$ 39,485,636</u>	<u>\$ 36,121,832</u>	<u>\$ 57,261,634</u>	<u>\$ 44,476,410</u>	<u>\$ 36,811,353</u>	<u>\$ 33,913,683</u>	<u>\$ 36,183,255</u>	<u>\$ 27,860,731</u>	<u>\$ 21,571,899</u>
Charter School's covered employee payroll	\$ 8,532,630	\$ 8,126,314	\$ 8,126,314	\$ 9,318,424	\$ 8,415,336	\$ 8,784,933	\$ 5,972,374	\$ 7,194,429	\$ 4,212,142	\$ 5,397,350
Charter School's proportionate share of the net pension liability (assets) as a percentage of its covered employee payroll**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

**Note

TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the Charter School (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the Charter School.

MARION P. THOMAS CHARTER SCHOOL

M-1

**Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the Charter School
and Changes in the Total OPEB Liability and Related Ratios
Public Employee's Retirement System and Teachers' Pension and Annuity Fund
Last Seven Fiscal Years**

	Fiscal Year Ended June 30,						
	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	\$ 1,768,906	\$ 2,271,122	\$ 3,003,373	\$ 1,949,935	\$ 1,733,678	\$ 1,628,328	\$ 1,962,900
Interest cost	565,286	327,619	375,777	492,741	478,447	484,720	396,209
Changes of benefit term	-	-	(15,418)			-	-
Difference between expected and actual experiences	1,747,853	(1,091,626)	(8,032,903)	1,472,757	(548,928)	(1,832,475)	-
Changes of assumptions	32,352	(3,316,341)	14,291	3,548,658	183,259	(1,240,569)	(2,113,271)
Member contributions	14,486	10,411	(296,007)	(338,209)	(377,295)	(289,071)	10,277
Gross benefit payments	(440,650)	(324,516)	9,607	10,251	11,184	9,991	(279,096)
Net change in total OPEB liability	3,688,233	(2,123,331)	(4,941,280)	7,136,133	1,480,345	(1,239,076)	(22,981)
Total OPEB liability - beginning	12,362,461	14,485,792	19,427,072	12,290,939	10,810,594	12,049,670	12,072,651
Total OPEB liability, ending	<u>\$ 16,050,694</u>	<u>\$ 12,362,461</u>	<u>\$ 14,485,792</u>	<u>\$ 19,427,072</u>	<u>\$ 12,290,939</u>	<u>\$ 10,810,594</u>	<u>\$ 12,049,670</u>
Covered employee payroll - PERS and TPAF	\$ 4,694,510	\$ 3,601,194.84	\$ 3,482,343	\$ 4,087,606	\$ 4,102,691	\$ 3,197,936	\$ 3,031,161.43
Total OPEB liability as a percentage of covered employee payroll	342%	343%	416%	475%	300%	338%	398%
State's proportionate share of the net OPEB liability (asset) associated with the Charter School	0.03%	0.02%	0.02%	0.03%	0.03%	0.02%	0.02%
Charter School's contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Until a full ten year trend is compiled, information will be presented for those years for which information is available.

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to Required Supplementary Information
Year Ended June 30, 2024

1. Pension – Public Employees’ Retirement System (PERS)

Benefit Changes - There were none.

Changes of Assumptions - There were none.

2. Pension – Teachers’ Pension and Annuity Fund (TPAF)

Benefit Changes - There were none.

Changes of Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

3. Other Post-Retirement Benefit Plan – Public Employees’ Retirement System (PERS) and Teachers’ Pension and Annuity Fund (TPAF)

Benefit Changes - There were none.

Changes of Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

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 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

Other Supplementary Information

School Level Schedules

Special Revenue Fund

MARION P. THOMAS CHARTER SCHOOL
Special Revenue Fund

E-1

Combining Schedule of Program, Revenue and Expenditures
Budgetary Basis

Year ended June 30, 2024

	Title 1A 2023-2024	Title SIA 2023-2024	L.D.E.A. Basic 2023-2024	L.D.E.A. Preschool 2023-2024	PERKINS 2023-2024	ARP ESSER III Grant	ARP ESSER III Accelerated Learning	ARP ESSER III Summer Learning	ARP ESSER III Beyond School Day	ARP ESSER III Mental Health	High Impact Tutoring	SDA Emergent Capital Needs Grant	NJSIG Safety Grant	NJ Children's Foundation Grant	Student Activity Fund	Total
Revenues																
Federal sources	\$ 1,287,637	\$ 19,995	\$ 338,427	\$ 7,087	\$ 34,364	\$ 4,091,931	\$ 169,275	\$ 36,750	\$ 40,000	\$ 97,223	\$ 28,500	\$ -	\$ -	\$ -	\$ -	\$ 6,151,189
State sources	-	-	-	-	-	-	-	-	-	-	-	420,143	-	-	-	420,143
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	10,284	150,000	10,109	170,393
Total revenues-all sources	\$ 1,287,637	\$ 19,995	\$ 338,427	\$ 7,087	\$ 34,364	\$ 4,091,931	\$ 169,275	\$ 36,750	\$ 40,000	\$ 97,223	\$ 28,500	\$ 420,143	\$ 10,284	\$ 150,000	\$ 10,109	\$ 6,741,725
Expenditures																
Instruction																
Salaries of teachers	\$ 595,404	\$ 19,995	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,250	\$ 35,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	683,277
Purchased Prof. and technical services	-	-	33,000	-	7,056	1,898,642	122,903	-	-	-	28,500	-	-	-	-	2,090,101
Other purchased services	-	-	49,084	-	-	-	-	-	-	-	-	-	-	-	-	49,084
General supplies	121,958	-	7,854	1,424	14,783	721,936	46,372	4,500	4,372	-	-	-	-	-	-	923,199
Miscellaneous expenditures	-	-	-	-	-	28,363	-	-	-	-	-	-	-	-	-	28,363
Total instruction	717,362	19,995	89,938	1,424	21,839	2,648,941	169,275	36,750	40,000	-	28,500	-	-	-	-	3,774,024
Support services																
Support services salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee benefits	220,402	-	-	-	-	3,013	-	-	-	-	-	-	-	-	-	223,415
Purchased professional services	333,601	-	248,489	5,663	4,250	684,500	-	-	-	97,223	-	-	-	150,000	-	1,523,726
Other purchased services	-	-	-	-	8,275	102,588	-	-	-	-	-	-	-	-	-	110,863
Rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	16,272	-	-	-	-	188,883	-	-	-	-	-	-	10,284	-	-	215,439
Miscellaneous expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,489	3,489
Total support services	570,275	-	248,489	5,663	12,525	978,984	-	-	-	97,223	-	-	10,284	150,000	3,489	2,076,932
Facilities acquisition and construction services																
Instructional equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Noninstructional equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction services	-	-	-	-	-	464,006	-	-	-	-	-	420,143	-	-	-	884,149
Total facilities acquisition and construction services	-	-	-	-	-	464,006	-	-	-	-	-	420,143	-	-	-	884,149
Total expenditures	1,287,637	19,995	338,427	7,087	34,364	4,091,931	169,275	36,750	40,000	97,223	28,500	420,143	10,284	150,000	3,489	6,735,105
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,620	6,620
Fund balances, beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,620)	(6,620)
Fund balances, beginning of year (restated)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,620)	(6,620)
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MARION P. THOMAS CHARTER SCHOOL
Special Revenue Fund

**Schedule of Preschool Education
Aid Expenditures - Budgetary Basis**

Year ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Expenditures					
Instruction					
Salaries of teachers	\$ 386,241	\$ -	\$ 386,241	\$ 386,241	\$ -
Other salaries for instruction	278,934	-	278,934	278,934	-
Purchased professional services	17,499	-	17,499	17,499	-
Other purchased services	-	-	-	-	-
General supplies	30,335	-	30,335	30,335	-
Other objects	13,047	-	13,047	13,047	-
Total instruction	726,056	-	726,056	726,056	-
Support services					
Salaries of Supervisor of Instruction	-	-	-	-	-
Salaries of Principals/Assistant Principals/Prog Directors	88,000	-	88,000	88,000	-
Salaries of Other Prof Staff	-	-	-	-	-
Salaries of Secretarial & Clerical Assistants	-	-	-	-	-
Other Salaries - Fiscal Specialist	-	-	-	-	-
Other Salaries - Custodian	-	-	-	-	-
Other Salaries - Security Guard	-	-	-	-	-
Family/Parent Liason	22,825	-	22,825	22,825	-
Facilitator/Coach	17,023	-	17,023	17,023	-
Personnel Services - Employee benefits	203,594	-	203,594	203,594	-
Other Purchased Prof - Education Services	4,165	-	4,165	4,165	-
Cleaning, Repairs and Maintenance Services	-	-	-	-	-
Rentals	-	-	-	-	-
Contracted Services - Field Trips	15,392	-	15,392	15,392	-
Travel	-	-	-	-	-
Supplies and materials	-	9,209	9,209	9,209	-
Other objects	-	-	-	-	-
Total support services	350,999	9,209	360,208	360,208	-
Facilities acquisition and construction services					
Instructional equipment	9,209	(9,209)	-	-	-
Noninstructional equipment	-	-	-	-	-
Construction services	-	-	-	-	-
Total facilities acquisition and construction services	9,209	(9,209)	-	-	-
Total expenditures	\$ 1,086,264	\$ -	\$ 1,086,264	\$ 1,086,264	-

Calculation of Budget and Carryover

Total 2022-2023 preschool education aid allocation	\$ 1,086,264
Add: actual carryover June 30, 2022	-
Total preschool education aid funds available for 2022-2023 budget	1,086,264
Less: 2022-2023 budgeted preschool education aid	(1,086,264)
Available and unbudgeted preschool education aid funds as of June 30, 2022	-
Add: June 30, 2023 unexpended preschool education aid	-
2022-2023 actual carryover - preschool education aid	\$ -
2022-2023 preschool education aid carryover budgeted in 2023-2024	\$ -

Capital Projects Fund

At June 30, 2024, there was no capital project fund.

Enterprise Fund

MARION P. THOMAS CHARTER SCHOOL
Enterprise Funds

G-1

Combining Statement of Net Position

June 30, 2024

	Food Services	After Care	Total
	<u> </u>	<u> </u>	<u> </u>
Assets			
Current assets:			
Cash and cash equivalents	\$ -	\$ 121,093	\$ 121,093
Accounts receivable:	-	-	-
Federal	74,858	-	74,858
State	1,773	-	1,773
Interfund receivable - general fund	-	-	-
Total current assets	<u>\$ 76,631</u>	<u>\$ 121,093</u>	<u>\$ 197,724</u>
Noncurrent assets:			
Machinery and equipment	311,739	-	311,739
Less: accumulated depreciation	<u>(311,739)</u>	<u>-</u>	<u>(311,739)</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>76,631</u>	<u>121,093</u>	<u>197,724</u>
Liabilities			
Current liabilities:			
Interfund payable - general fund	\$ 34,109	\$ -	\$ 34,109
Accounts payable	-	-	-
Total current liabilities	<u>\$ 34,109</u>	<u>\$ -</u>	<u>\$ 34,109</u>
Net position			
Unrestricted	42,522	121,093	163,615
Total net position	<u>\$ 42,522</u>	<u>\$ 121,093</u>	<u>\$ 163,615</u>

MARION P. THOMAS CHARTER SCHOOL
Enterprise Fund

G-2

Combining Statement of Revenues, Expenditures and Changes in Net Position

Year ended June 30, 2024

	Food Services	After Care	Total
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 21,422	\$ -	\$ 21,422
Daily sales - nonreimbursable programs	36,182	33,821	70,003
Miscellaneous revenue	7,105	-	7,105
Total operating revenues	<u>64,709</u>	<u>33,821</u>	<u>98,530</u>
Operating expenses:			
Cost of sales - reimbursable programs	1,237,707	-	1,237,707
Cost of sales - nonreimbursable programs	36,182	-	36,182
Salaries	-	84,197	84,197
Employee benefits	-	-	-
Professional /technical service	248,665	-	248,665
Supplies and materials	-	-	-
Depreciation	-	-	-
Miscellaneous	-	151,903	151,903
Total operating expenses	<u>1,522,554</u>	<u>236,100</u>	<u>1,758,654</u>
Operating income (loss)	<u>(1,457,845)</u>	<u>(202,279)</u>	<u>(1,660,124)</u>
Nonoperating revenues:			
State sources:			
State School Lunch Program	14,683	-	14,683
State School Breakfast Program	15,847	-	15,847
Federal sources:			
National School Lunch Program	799,873	-	799,873
National School Breakfast Program	381,160	-	381,160
After School Snacks	50,627	-	50,627
Fresh Fruits & Vegetable Program	60,054	-	60,054
Healthy, Hunger Free Kids Act (HHFKA)	17,119	-	17,119
Total nonoperating revenues	<u>1,339,363</u>	<u>-</u>	<u>1,339,363</u>
Net income/(loss) before contributions & transfers	(118,482)	(202,279)	(320,761)
Other financing sources:			
Transfer in/(out) - board contribution	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(118,482)	(202,279)	(320,761)
Total net position-beginning of year	<u>161,004</u>	<u>323,372</u>	<u>484,376</u>
Total net position-end of year	<u>\$ 42,522</u>	<u>\$ 121,093</u>	<u>\$ 163,615</u>

MARION P. THOMAS CHARTER SCHOOL
Enterprise Fund

G-3

Statement of Cash Flows

Year ended June 30, 2024

	Food Services	After Care	Total
Cash flows from operating activities			
Operating loss	\$ (1,457,845)	\$ (202,279)	\$ (1,660,124)
Adjustment to reconcile operating loss to net cash used in operating activities:			
Depreciation expense	-	-	-
Changes in assets and liabilities:			
Accounts receivable	31,036	-	31,036
Due to/(from) general fund	(30,710)	323,372	292,662
Accounts payable	-	-	-
Net cash used in operating activities	<u>(1,457,519)</u>	<u>121,093</u>	<u>(1,336,426)</u>
Cash flows from noncapital financing activities			
Cash received from state reimbursements	30,530	-	30,530
Cash received from federal reimbursements	1,308,833	-	1,308,833
Operating subsidies and transfers from other funds	-	-	-
Net cash provided by noncapital financing activities	<u>1,339,363</u>	<u>-</u>	<u>1,339,363</u>
Cash flows from investing activities			
Purchase of kitchen equipment	-	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net change in cash and cash equivalents	(118,156)	121,093	2,937
Cash and cash equivalents, beginning	118,156	-	118,156
Cash and cash equivalents, ending	<u>\$ -</u>	<u>\$ 121,093</u>	<u>\$ 121,093</u>

Fiduciary Fund
Not Applicable

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Long Term Debt

MARION P. THOMAS CHARTER SCHOOL
Long-Term Debt
Schedule of Obligations Under Leases

I-2

Year ended June 30, 2024

	Date of Original Issue	Term of Lease		Amount of Original Lease		Interest Rate	Balance Outstanding June 30, 2022	Acquired Current Year	Retired Current Year	Balance Outstanding June 30, 2023
		From	To	Principal	Interest					
School Building Lease - Shipman	11/1/2018	11/1/2018	6/30/2027	\$ 2,880,326	\$ 8,470,767	6.25%	\$ 1,522,914	\$ -	\$ 345,901	\$ 1,177,013
School Building Lease - Burnett	11/1/2018	11/1/2018	6/30/2027	5,762,257	1,649,051	6.25%	3,046,676	-	691,994	2,354,682
School Building Lease - Clinton	11/1/2018	11/1/2018	6/30/2027	2,974,068	874,349	6.25%	1,572,478	-	357,159	1,215,319
School Building Lease - Sussex	7/1/2019	7/1/2019	6/30/2027	6,721,100	1,856,900	6.25%	3,777,371	-	857,958	2,919,413
School Building Lease - South 7th Street	5/1/2020	7/1/2020	6/30/2027	3,482,334	549,666	4.25%	2,115,417	-	495,690	1,619,727
							<u>\$ 12,034,856</u>	<u>\$ -</u>	<u>\$ 2,748,702</u>	<u>\$ 9,286,154</u>

Statistical Section

MARION P. THOMAS CHARTER SCHOOL
County of Essex, New Jersey

J-1

Net Assets By Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>Fiscal Year Ended June 30,</u>		<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
					<u>2020</u>	<u>2019</u>				
Governmental activities										
Invested in capital assets, net of related debt	\$ 1,579,087	\$ 841,932	\$ (602,813)	\$ 200,557	\$ 164,337	\$ 196,742	\$ 232,580	\$ 301,970	\$ 314,890	\$ 356,825
Restricted	-	-	-	232,145	634,029	781,410	659,025	540,512	439,046	423,703
Unrestricted	8,706,079	6,963,353	2,448,738	(5,323,906)	(6,869,050)	(6,687,320)	(5,509,275)	(1,886,990)	1,278,350	1,775,247
Total governmental activities net position	<u>\$ 10,285,166</u>	<u>\$ 7,805,285</u>	<u>\$ 1,845,925</u>	<u>\$ (4,891,204)</u>	<u>\$ (6,070,684)</u>	<u>\$ (5,709,168)</u>	<u>\$ (4,617,670)</u>	<u>\$ (1,044,508)</u>	<u>\$ 2,032,286</u>	<u>\$ 2,555,775</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	163,615	484,376	480,171	89,359	(312,570)	(474,950)	(368,118)	(270,340)	(216,164)	(265,869)
Total business-type activities	<u>\$ 163,615</u>	<u>\$ 484,376</u>	<u>\$ 480,171</u>	<u>\$ 89,359</u>	<u>\$ (312,570)</u>	<u>\$ (474,950)</u>	<u>\$ (368,118)</u>	<u>\$ (270,340)</u>	<u>\$ (216,164)</u>	<u>\$ (265,869)</u>
School-wide										
Invested in capital assets, net of related debt	\$ 1,579,087	\$ 841,932	\$ (602,813)	\$ 200,557	\$ 164,337	\$ 196,742	\$ 232,580	\$ 301,970	\$ 314,890	\$ 356,825
Restricted	-	-	-	232,145	634,029	781,410	659,025	540,512	439,046	423,703
Unrestricted	8,869,694	7,447,729	2,928,909	(5,234,547)	(7,181,620)	(7,162,270)	(5,877,393)	(2,157,330)	1,062,186	1,509,378
Total charter school net position	<u>\$ 10,448,781</u>	<u>\$ 8,289,661</u>	<u>\$ 2,326,096</u>	<u>\$ (4,801,845)</u>	<u>\$ (6,383,254)</u>	<u>\$ (6,184,118)</u>	<u>\$ (4,985,788)</u>	<u>\$ (1,314,848)</u>	<u>\$ 1,816,122</u>	<u>\$ 2,289,906</u>

MARION P. THOMAS CHARTER SCHOOL
County of Essex, New Jersey

J-2

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>Fiscal Year Ended June 30,</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses											
Governmental activities											
Instruction											
Regular	\$ 14,691,204	\$ 12,921,676	\$ 15,723,933	\$ 20,707,525	\$ 20,203,799	\$ 18,577,226	\$ 20,999,050	\$ 17,951,352	\$ 14,240,570	\$ 11,211,304	
Support Services:											
General administration	6,418,492	5,310,352	7,589,635	8,484,418	6,784,554	6,928,898	4,752,713	4,186,190	3,789,171	2,972,753	
School administrative services	12,812,755	12,669,305	7,829,355	5,664,502	7,595,514	9,912,676	7,912,986	8,183,922	7,469,628	6,566,535	
On-behalf/TPAF/FICA Reimbursements	3,674,275	4,243,689	-	-	-	-	-	-	-	-	
Capital outlay	146,994	88,051	19,076	-	-	10,350	16,500	3,000	1,098	-	
Unallocated depreciation	-	2,460,633	68,956	-	68,958	93,911	131,441	94,013	99,457	95,819	
Total governmental activities expenses	<u>37,743,720</u>	<u>35,233,073</u>	<u>33,622,632</u>	<u>34,925,401</u>	<u>34,652,825</u>	<u>35,523,061</u>	<u>33,812,690</u>	<u>30,418,477</u>	<u>25,599,924</u>	<u>20,846,411</u>	
Business-type activities:											
Food service	1,522,554	1,889,205	1,629,597	653,062	840,390	1,011,348	1,034,773	864,079	852,419	854,144	
Child Care	236,100	19,583	51,997	-	20,919	73,757	61,907	66,546	68,758	44,009	
Total business-type activities expense	<u>1,758,654</u>	<u>1,908,788</u>	<u>1,681,594</u>	<u>653,062</u>	<u>861,309</u>	<u>1,085,105</u>	<u>1,096,680</u>	<u>930,625</u>	<u>921,177</u>	<u>898,153</u>	
Total charter school expenses	<u>\$ 39,502,374</u>	<u>\$ 37,141,861</u>	<u>\$ 35,304,226</u>	<u>\$ 35,578,463</u>	<u>\$ 35,514,134</u>	<u>\$ 36,608,166</u>	<u>\$ 34,909,370</u>	<u>\$ 31,349,102</u>	<u>\$ 26,521,101</u>	<u>\$ 21,744,564</u>	
Program Revenues											
Governmental activities:											
Charges for services:											
Operating grants and contributions	\$ 7,821,369	\$ 7,129,549	\$ 10,094,397	\$ 9,895,614	\$ 8,431,263	\$ 7,659,312	\$ 7,108,519	\$ 4,778,739	\$ 4,349,758	\$ 3,047,857	
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-	
Total governmental activities program revenues	<u>7,821,369</u>	<u>7,129,549</u>	<u>10,094,397</u>	<u>9,895,614</u>	<u>8,431,263</u>	<u>7,659,312</u>	<u>7,108,519</u>	<u>4,778,739</u>	<u>4,349,758</u>	<u>3,047,857</u>	
Business-type activities:											
Charges for services:											
Food service	64,709	75,046	-	45	38,332	28,589	24,364	25,266	16,767	6,283	
Child care	33,821	19,583	53,865	-	35,918	89,310	82,642	113,836	133,806	94,506	
Operating grants and contributions	1,339,363	1,818,364	1,951,300	754,946	649,439	860,374	726,896	617,347	680,309	578,151	
Capital grants and contributions	-	-	300,000	-	300,000	-	165,000	120,000	140,000	-	
Total business type activities program revenues	<u>1,437,893</u>	<u>1,912,993</u>	<u>2,005,165</u>	<u>1,054,991</u>	<u>1,023,689</u>	<u>978,273</u>	<u>998,902</u>	<u>876,449</u>	<u>970,882</u>	<u>678,940</u>	
Total charter school program revenues	<u>\$ 9,259,262</u>	<u>\$ 9,042,542</u>	<u>\$ 12,099,562</u>	<u>\$ 10,950,605</u>	<u>\$ 9,454,952</u>	<u>\$ 8,637,585</u>	<u>\$ 8,107,421</u>	<u>\$ 5,655,188</u>	<u>\$ 5,320,640</u>	<u>\$ 3,726,797</u>	
Net (Expense)/Revenue											
Governmental activities	\$ (29,922,351)	\$ (28,103,524)	\$ (23,528,235)	\$ (25,029,787)	\$ (26,221,562)	\$ (27,863,749)	\$ (26,704,171)	\$ (25,639,738)	\$ (21,250,166)	\$ (17,798,554)	
Business-type activities	(320,761)	4,205	323,571	401,929	162,380	(106,832)	(97,778)	(54,176)	49,705	(219,213)	
Total charter school-wide net expense	<u>\$ (30,243,112)</u>	<u>\$ (28,099,319)</u>	<u>\$ (23,204,664)</u>	<u>\$ (24,627,858)</u>	<u>\$ (26,059,182)</u>	<u>\$ (27,970,581)</u>	<u>\$ (26,801,949)</u>	<u>\$ (25,693,914)</u>	<u>\$ (21,200,461)</u>	<u>\$ (18,017,767)</u>	

MARION P. THOMAS CHARTER SCHOOL
County of Essex, New Jersey

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

	2024	2023	2022	2021	Fiscal Year Ended June 30,		2018	2017	2016	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 2,432,793	\$ 2,457,585	\$ 25,761,699	\$ 26,399,270	\$ 25,975,760	\$ 26,710,505	\$ 23,236,408	\$ 22,662,022	\$ 20,860,196	\$ 19,757,042
Grants and contributions	28,726,692	28,358,363	5,201,656	53,930	161,130	10,610	2,145	4,159	6,481	7,351
Miscellaneous income	263,558	547,751	21,412	31,062	23,156	48,136	60,456	16,763	-	-
Transfers	-	-	-	(300,000)	(300,000)	-	(165,000)	(120,000)	(140,000)	-
Total governmental activities	31,423,043	31,363,699	30,984,767	26,184,262	25,860,046	26,769,251	23,134,009	22,562,944	20,726,677	19,764,393
Business-type activities:										
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-	-	-
Total charter school-wide	<u>\$ 31,423,043</u>	<u>\$ 31,363,699</u>	<u>\$ 30,984,767</u>	<u>\$ 26,184,262</u>	<u>\$ 25,860,046</u>	<u>\$ 26,769,251</u>	<u>\$ 23,134,009</u>	<u>\$ 22,562,944</u>	<u>\$ 20,726,677</u>	<u>\$ 19,764,393</u>
Change in Net Position										
Governmental activities	\$ 1,500,692	\$ 3,260,175	\$ 7,456,532	\$ 1,154,475	\$ (361,516)	\$ (1,094,498)	\$ (3,570,162)	\$ (3,076,794)	\$ (523,489)	\$ 1,965,839
Business-type activities	(320,761)	4,205	323,571	401,929	162,380	(106,832)	(97,778)	(54,176)	49,705	(219,213)
Total charter school	<u>\$ 1,179,931</u>	<u>\$ 3,264,380</u>	<u>\$ 7,780,103</u>	<u>\$ 1,556,404</u>	<u>\$ (199,136)</u>	<u>\$ (1,201,330)</u>	<u>\$ (3,667,940)</u>	<u>\$ (3,130,970)</u>	<u>\$ (473,784)</u>	<u>\$ 1,746,626</u>

MARION P. THOMAS CHARTER SCHOOL
County of Essex, New Jersey

J-3

Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Unreserved	\$ 18,009,357	\$ 17,192,192	\$ 13,831,890	\$ 5,234,686	\$ 4,645,685	\$ 3,154,643	\$ 2,420,639	\$ 4,629,882	\$ 6,526,412	\$ 5,830,730
Reserved		-	12,252	1,635,498	-	45,762	97,207	94,623	344,921	894,209
Total general fund	<u>\$ 18,009,357</u>	<u>\$ 17,192,192</u>	<u>\$ 13,844,142</u>	<u>\$ 6,870,184</u>	<u>\$ 4,645,685</u>	<u>\$ 3,200,405</u>	<u>\$ 2,517,846</u>	<u>\$ 4,724,505</u>	<u>\$ 6,871,333</u>	<u>\$ 6,724,939</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Charter School's Records

MARION P. THOMAS CHARTER SCHOOL
County of Essex, New Jersey

J-4

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Unaudited)

Function	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Local tax levy	\$ 2,432,793	\$ 2,457,585	\$ 2,656,606	\$ 2,812,487	\$ 3,052,212	\$ 3,147,679	\$ 2,955,501	\$ 2,849,977	\$ 2,782,468	\$ 2,618,739
Miscellaneous	263,558	547,751	603,607	301,253	163,101	105,395	16,483	84,762	71,073	45,020
State sources	30,233,099	29,618,386	28,511,456	27,673,948	24,428,451	24,703,140	20,802,535	20,342,612	19,871,926	19,005,460
Federal sources	6,199,405	5,840,314	7,622,508	2,313,079	1,541,001	1,447,117	1,332,121	994,249	1,047,911	820,576
Total revenue	<u>39,128,855</u>	<u>38,464,036</u>	<u>39,394,177</u>	<u>33,100,767</u>	<u>29,184,765</u>	<u>29,403,331</u>	<u>25,106,640</u>	<u>24,271,600</u>	<u>23,773,378</u>	<u>22,489,795</u>
Expenditures										
Instruction	14,691,204	12,921,676	10,710,190	12,299,976	11,794,408	11,265,618	13,211,942	12,226,367	10,442,313	8,341,687
Administration	5,795,449	4,129,120	12,689,698	12,502,944	9,439,204	10,056,325	7,953,708	7,528,386	6,717,143	6,022,405
Support Services	12,814,961	12,672,308	6,898,924	5,710,198	6,205,873	7,779,959	6,012,648	6,540,675	6,268,908	5,730,382
Capital Outlay	884,149	636,579	154,926	68,623	-	22,020	45,000	3,000	58,620	28,268
Total expenditures	<u>34,185,763</u>	<u>30,359,683</u>	<u>30,453,738</u>	<u>30,581,741</u>	<u>27,439,485</u>	<u>29,123,922</u>	<u>27,223,298</u>	<u>26,298,428</u>	<u>23,486,984</u>	<u>20,122,742</u>
Net change in fund balances	<u>\$ 4,943,092</u>	<u>\$ 8,104,353</u>	<u>\$ 8,940,439</u>	<u>\$ 2,519,026</u>	<u>\$ 1,745,280</u>	<u>\$ 279,409</u>	<u>\$ (2,116,658)</u>	<u>\$ (2,026,828)</u>	<u>\$ 286,394</u>	<u>\$ 2,367,053</u>

Source: Charter School's Records

MARION P. THOMAS CHARTER SCHOOL
County of Essex, New Jersey

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General Fund Other Local Revenue by Source
Last Ten Fiscal Years
(Unaudited)

Function	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Other local revenues										
Miscellaneous	\$ 263,558	\$ 547,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total other local revenue	<u>\$263,558</u>	<u>\$ 547,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Charter School's Records

MARION P. THOMAS CHARTER SCHOOL
County of Essex, New Jersey

J-10

Ratio of Outstanding Debt By Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	Total Charter School	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-
2016	-	-	-	-	-	-	0.00%	-
2017	-	-	197,852	-	-	197,852	0.00%	-
2018	-	-	161,029	-	-	161,029	0.00%	-
2019	-	-	124,476	-	-	124,476	0.00%	-
2020	-	-	87,924	-	-	87,924	0.00%	-
2021	-	-	51,371	-	-	51,371	0.00%	-
2022	-	-	-	-	-	-	0.00%	-
2023	-	-	-	-	-	-	0.00%	-
2024	-	-	-	-	-	-	0.00%	-

Note: Details regarding the Charter School's outstanding debt can be found in the notes to the financial statements.

MARION P. THOMAS CHARTER SCHOOL
County of Essex, New Jersey

J-14

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2015	279,484	\$ 16,599,952,180	\$ 59,395	8.80%
2016	280,612	17,042,969,820	60,735	7.90%
2017	281,340	17,628,483,060	62,659	7.50%
2018	282,223	17,927,087,183	63,521	7.00%
2019	282,903	18,650,946,081	65,927	6.00%
2020	282,520	19,916,812,440	70,497	14.70%
2021	307,220	21,658,088,340	70,497	10.60%
2022	307,220	21,658,088,340	70,497	10.60%
2023	302,220	21,305,603,340	70,497	10.60%
2024	302,220	21,305,603,340	70,497	10.60%

Source:

^a Population information provided by the New Jersey Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

^c Personal capital income by municipality estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the New Jersey Dept of Labor and Workforce Development

MARION P. THOMAS CHARTER SCHOOL
County of Essex, New Jersey

J-15

Principal Employers
Current Year
(Unaudited)

<u>Employer</u>	2024		
	a		a
	<u>Employees</u>	<u>Rank</u> <u>[Optional]</u>	<u>Percentage of</u> <u>Total Municipal</u> <u>Employment</u>
Information not available.			
	<hr/>		<hr/>
	-		0.00%
	<hr/>		<hr/>

a Information not available.

Source: Web Site: <http://www.city-data.com/us-cities/The-Northeast/Newark-Economy.html>

MARION P. THOMAS CHARTER SCHOOL
County of Essex, New Jersey

J-16

Full-Time Equivalent Charter School Employees by Function/Program
Last Ten Fiscal Years
(Unaudited)

<u>Function/Program</u>	<u>Fiscal Year Ended June 30,</u>									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Instruction										
Regular	90	90	90	90	100	100	93	93	93	71
Special education	20	20	20	20	16	16	12	12	12	14
Other instruction	40	40	40	40	32	32	28	28	28	34
Support Services:										
Student & instruction related services	5	5	5	5	27	27	30	30	30	19
General administration	11	11	11	11	8	8	6	6	6	6
Other administrative services	11	11	11	11	10	10	19	19	19	9
Central services	12	12	12	12	23	23	10	10	10	19
Administrative Information Technology	2	2	2	2	3	3	3	3	3	2
Plant operations and maintenance	10	10	10	10	13	13	18	18	18	16
Pupil transportation	-	-	-	-					-	
Other support services	13	13	13	13	-		17	17	17	15
Special Schools										
Food Service	-	-	-	-	2	2	8	8	8	6
Child Care										
Total	<u>214</u>	<u>214</u>	<u>214</u>	<u>214</u>	<u>234</u>	<u>234</u>	<u>244</u>	<u>244</u>	<u>244</u>	<u>211</u>

Source: Charter School Personnel Records

MARION P. THOMAS CHARTER SCHOOL
County of Essex, New Jersey

J-17

Operating Statistics

**Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended June 30,	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	% Change in Average Daily Enrollment	Student Attendance Percentage
						Kindergarten	Elementary	High School				
2015	1,272	20,122,742	15,820	72.01%	119	12:3	12:7	16	1290	1,264	86.15%	97.98%
2016	1,291	23,486,984	18,193	16.72%	133	12:3	12:7	16	1314	1,288	1.86%	98.02%
2017	1,331	27,335,612	20,538	16.39%	133	12:3	12:7	16	1314	1,288	0.00%	98.02%
2018	1,359	28,709,822	21,126	5.03%	133	12:3	12:7	16	1314	1,288	0.00%	98.02%
2019	1,481	31,217,141	21,078	8.73%	148	12:3	12:7	16	1554	1,523	18.25%	98.02%
2020	1,489	30,101,296	20,216	-3.57%	148	12:3	12:7	16	1515	1,348	-2.52%	88.99%
2021	1,473	30,581,741	20,762	1.60%	86	12:3	12:7	16	1450	1,421	-4.27%	98.00%
2022	1,342	33,358,459	24,857	9.08%	126	12:3	12:7	16	1341	1,329	-7.52%	99.11%
2023	1,356	29,723,104	21,920	-10.90%	126	12:3	12:7	16	1341	1,329	0.00%	99.11%
2024	1,376	33,301,614	24,202	12.04%	150	12:3	12:7	16	1361	1,329	1.49%	97.65%

Sources: Charter School records

Note: Enrollment based on annual June Charter School count.

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

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance

MARION P. THOMAS CHARTER SCHOOL
County of Essex, New Jersey

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School Building Information
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Square Feet	199,400	199,400	199,400	221,463	221,463	90,004	90,004	90,004	90,004	90,004
Capacity (students)	1,950	1,950	1,950	1,950	1,950	1,350	1,350	1,350	1,350	1,350
Enrollment	1,356	1,356	1,329	1,473	1,489	1,491	1,359	1,331	1,291	1,272

Source: School Records

MARION P. THOMAS CHARTER SCHOOL
County of Essex, New Jersey

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Schedule of Required Maintenance Expenditures
By School Facility
Last Ten Fiscal Years
(Unaudited)

2015	Not Available
2016	Not Available
2017	Not Available
2018	Not Available
2019	Not Available
2020	Not Available
2021	Not Available
2022	Not Available
2023	1,823,322
2024	4,756,579
	-
Total	<u>\$ 6,579,901</u>

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: Charter School records

MARION P. THOMAS CHARTER SCHOOL
County of Essex, New Jersey

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Insurance Schedule

June 30, 2024
(Unaudited)

	<u>Coverage</u>
Commercial property and general liability:	
Property:	
Personal Property	\$ 1,075,000
Business Income	3,450,000
Electronic Data Processing - Equipment Owned	60,000
Electronic Data Processing - Equipment In Transit	10,000
Employee Dishonesty	200,000
Forgery or Alteration	5,000
Building	8,100,000
Commercial General Liability:	
General Aggregate	3,000,000
Personal & Advertising Injury Limit	1,000,000
Damage to Premises Rented by Insured	300,000
Medical Expense Limit Per Person	5,000
Employee Benefits Liability	1,000,000
Abuse Sublimit - Per Person Limit	1,000,000
Abuse Sublimit - Aggregate Limit	1,000,000
 Automobile	 1,000,000
Umbrella Liability:	
Each Occurrence Limit	1,000,000
General Aggregate	1,000,000
Retained Limit	10,000
Workman's Compensation:	
Each Accident	1,000,000
Disease Policy Limit	1,000,000
Disease Each Employee	1,000,000
Directors & Officers:	
Each Occurrence Limit	3,000,000
Retained Limit	5,000

Source: Charter School Records

MARION P. THOMAS CHARTER SCHOOL
County of Essex, New Jersey

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Charter School Performance Framework Financial Indicators
New Term Indicators

June 30, 2024
(Unaudited)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash	\$ 14,805,805	\$ 14,122,739	\$ 8,992,935
Current assets	3,537,312	4,222,752	6,548,404
Capital assets, net	1,579,087	841,932	0
Total assets	<u>19,922,204</u>	<u>19,187,423</u>	<u>15,541,339</u>
Current liabilities	540,999	1,006,663	179,502
Long term liabilities	-	-	-
Total liabilities	<u>540,999</u>	<u>1,006,663</u>	<u>179,502</u>
Net position	<u>\$ 19,381,205</u>	<u>\$ 18,180,760</u>	<u>\$ 15,361,837</u>
Total revenue	\$ 40,730,521	\$ 40,439,379	\$ 43,084,329
Total expenses	<u>(38,508,302)</u>	<u>(34,739,034)</u>	<u>(35,304,226)</u>
Change in net position	<u>\$ 2,222,219</u>	<u>\$ 5,700,345</u>	<u>\$ 7,780,103</u>
Depreciation expense	\$ 146,994	\$ 88,051	\$ 94,376
Interest expense	-	-	-
Principal payments	-	-	-
Interest payments	-	-	-
Final average daily enrollment	1,356	1,342	1,342
March 30th budgeted enrollment	1,430	1,430	1,430

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>Three Year Cumulative</u>
NEAR TERM INDICATORS:				
Current ratio	33.91	18.22	86.58	138.71
Unrestricted days cash	140.34	148.39	92.98	381.70
Enrollment variance	95%	94%	94%	94%
Default	N/A	N/A	N/A	N/A

Source: Charter School Records

MARION P. THOMAS CHARTER SCHOOL
County of Essex, New Jersey

J-22

Charter School Performance Framework Financial Indicators
Sustainability Indicators

June 30, 2024
(Unaudited)

	2024	2023	2022
Cash	\$ 14,805,805	\$ 14,122,739	\$ 8,992,935
Current assets	3,537,312	4,222,752	6,548,404
Capital assets, net	1,579,087	841,932	-
Total assets	<u>19,922,204</u>	<u>19,187,423</u>	<u>15,541,339</u>
Current liabilities	540,999	1,006,663	179,502
Long term liabilities	-	-	-
Total liabilities	<u>540,999</u>	<u>1,006,663</u>	<u>179,502</u>
Net position	<u><u>\$ 19,381,205</u></u>	<u><u>\$ 18,180,760</u></u>	<u><u>\$ 15,361,837</u></u>
Total revenue	\$ 40,730,521	\$ 40,439,379	\$ 43,084,329
Total expenses	<u>(38,508,302)</u>	<u>(34,739,034)</u>	<u>(35,304,226)</u>
Change in net position	<u><u>\$ 2,222,219</u></u>	<u><u>\$ 5,700,345</u></u>	<u><u>\$ 7,780,103</u></u>

Depreciation expense	\$ 146,994	\$ 88,051	\$ 94,376
Interest expense	-	-	-
Principal payments	-	-	-
Interest payments	-	-	-

Final average daily enrollment	1,356	1,342	1,342
March 30th budgeted enrollment	1,430	1,430	1,430

	2024	2023	2022	Three Year Cumulative
SUSTAINABILITY INDICATORS:				
Total margin	5%	14%	18%	13%
Debt to asset	N/A	N/A	N/A	N/A
Cash flow	\$ 683,066	\$ 5,129,804	\$ (1,205,969)	\$ 4,606,901
Debt service coverage ratio	N/A	N/A	N/A	N/A

Source: Charter School Records

Single Audit Section

Olugbenga Olabintan

Certified Public Accountant/Consultant

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K-1

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable President and
Members of the Board of Trustees
Marion P. Thomas Charter School
County of Essex
Newark, New Jersey

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

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Olugbenga Olabintan, CPA

January 15, 2025
Newark, New Jersey

OLUGBENGA OLABINTAN
Certified Public Accountant/Consultant



Olugbenga Olabintan, CPA
Licensed Public School Accountant
No. 20CS00230200

Olugbenga Olabintan

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K-2

Independent Auditor's Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance Required by The Uniform Guidance and State of New Jersey OMB's Circular Letter 15-08

The Honorable President and
Members of the Board of Trustees
Marion P. Thomas Charter School
County of Essex,
Newark, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Marion P. Thomas Charter School, in the County of Essex, State of New Jersey's ("the Charter School's") compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and *State of New Jersey Department of Treasury Circular 15-08-OMB 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 Charter School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 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; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

Those standards, the Uniform Guidance, State of New Jersey Department of Treasury Circular 15-08-OMB and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey* require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Charter School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. I 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 the 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, regulation, rules, and provisions of contracts or grant agreements applicable to the 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 the Charter School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements 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 omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Charter School's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements 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 judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Charter School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance, State of New Jersey Department of Treasury Circular 15-08-OMB and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*. Accordingly, this report is not suitable for any other purpose.

Olugbenga Olabintan, CPA

January 15, 2025
Newark, New Jersey

OLUGBENGA OLABINTAN
Certified Public Accountant/Consultant

A handwritten signature in black ink, appearing to read 'Olugbenga Olabintan', with a stylized flourish at the end.

Olugbenga Olabintan, CPA
Licensed Public School Accountant
No. 20CS00230200

MARION P. THOMAS CHARTER SCHOOL

Schedule of Expenditures of Federal Awards

Year ended June 30, 2024

Federal Grant/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Federal Award Identification Number	Grant Period	Award Amount	(Accounts Receivable) at June 30, 2023	Deferred Revenue at June 30, 2023	Due to Grantor at June 30, 2023	Adjustments	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2024	Deferred Revenue at June 30, 2024	Due to Grantor at June 30, 2024
General Fund:															
U.S. Department of Health and Human Services, Pass Through Program: Passed-Through New Jersey State Department of Education															
Special Education Medicaid Initiative - SEMI	93.778	2005NJ5MAP	7/1/23-6/30/24	\$ 48,216	\$ -	\$ -	\$ -	\$ -	\$ -	48,216	\$ (48,216)	\$ -	\$ -	\$ -	\$ -
Total General Fund/Subtotal, U.S. Department of Health and Human Services, Pass Through Program					-	-	-	-	-	48,216	(48,216)	-	-	-	-
Special Revenue Fund:															
U.S. Department of Education, Pass Through Programs: Passed-Through New Jersey State Department of Education															
Title I Part A - FY 2023-2024	84.010A	S010A240030	7/1/23-9/30/24	1,287,637	-	-	-	-	-	1,216,145	(1,287,637)	-	(71,492)	-	-
Title SIA - FY 2023-2024	84.010A	S010A240030	7/1/23-9/30/24	85,275	-	-	-	-	-	15,000	(19,995)	-	(4,995)	-	-
Subtotal - Assistance Listing # 84.101A					-	-	-	-	-	1,231,145	(1,307,632)	-	(76,487)	-	-
Title III Immigrant-FY 2023-2024	84.365A	S010A240030	7/1/23-9/30/24	10,159	-	-	-	-	-	10,159	-	-	-	10,159	-
Subtotal - Assistance Listing # 84.365A					-	-	-	-	-	10,159	-	-	-	10,159	-
IDEA Part B - FY 2023-2024	84.027A	H027A240100	7/1/23-9/30/24	338,427	-	-	-	-	-	338,427	(338,427)	-	-	-	-
IDEA Preschool - FY 2023-2024	84.173A	H173A240114	7/1/23-9/30/24	7,087	-	-	-	-	-	7,087	(7,087)	-	-	-	-
Subtotal - Special Education Cluster					-	-	-	-	-	345,514	(345,514)	-	-	-	-
Career and Technical Education - (PERKINS)	84.048	V048A240030	7/1/23-9/30/24	43,411	-	-	-	-	-	26,815	(34,364)	-	(7,549)	-	-
Career and Technical Education - (PERKINS)	84.048	V048A230030	7/1/22-9/30/23	10,021	(10,021)	-	-	-	-	10,021	-	-	-	-	-
Subtotal - Assistance Listing # 84.048					(10,021)	-	-	-	-	36,836	(34,364)	-	(7,549)	-	-
ARP ESSER III	84.425U	S425U240027	3/13/20-9/30/24	6,890,857	(1,369,793)	-	-	-	-	4,843,732	(4,091,931)	-	(617,992)	-	-
ARP ESSER III - Accelerated Learning Coaching and Educator Support Grant	84.425U	S425U240027	3/13/20-9/30/24	169,275	-	-	-	-	-	169,275	(169,275)	-	-	-	-
ARP ESSER III - Evidence-Based Summer Learning and Enrichment Activities	84.425U	S425U240027	3/13/20-9/30/24	40,000	-	-	-	-	-	40,000	(36,750)	-	-	3,250	-
ARP ESSER III - Evidence-Based Comprehensive Beyond the School Day Grant	84.425U	S425U240027	3/13/20-9/30/24	40,000	-	-	-	-	-	40,000	(40,000)	-	-	-	-
ARP ESSER III - NJTSS Mental Health Support Staffing Grant	84.425U	S425U240027	3/13/20-9/30/24	445,613	(138,390)	-	-	-	-	235,613	(97,223)	-	-	-	-
GEER - New Jersey High Impact Tutoring Program	84.425V	S425V240031	10/11/23-8/31/24	97,000	-	-	-	-	-	28,500	(28,500)	-	-	-	-
Subtotal - Elementary and Secondary School Education Emergency Relief (ESSER) Funds					(1,508,183)	-	-	-	-	5,357,120	(4,463,679)	-	(617,992)	3,250	-
Total Special Revenue Fund/Subtotal, U.S. Department of Education, Pass Through Programs:					(1,518,204)	-	-	-	-	6,980,774	(6,151,189)	-	(702,028)	13,409	-
Total Passed-Through New Jersey Department of Education					(1,518,204)	-	-	-	-	7,028,990	(6,199,405)	-	(702,028)	13,409	-
Enterprise Fund:															
U.S. Department of Agriculture, Pass-Through Programs: Passed-Through New Jersey State Department of Agriculture															
National School Lunch Program	10.555	231NJ304N1199	7/1/23-6/30/24	799,873	-	-	-	-	-	755,489	(799,873)	-	(44,384)	-	-
National School Lunch Program	10.555	221NJ304N1099	7/1/22-6/30/23	1,162,848	(71,885)	-	-	-	-	71,885	-	-	-	-	-
After School Snacks	10.555	231NJ304N1199	7/1/23-6/30/24	50,627	-	-	-	-	-	49,896	(50,627)	-	(731)	-	-
After School Snacks	10.555	221NJ304N1099	7/1/22-6/30/23	66,386	(1,690)	-	-	-	-	1,690	-	-	-	-	-
Healthy, Hunger-Free Kids Act	10.555	231NJ304N1199	7/1/23-6/30/24	17,119	-	-	-	-	-	16,169	(17,119)	-	(950)	-	-
Healthy, Hunger-Free Kids Act	10.555	221NJ304N1099	7/1/22-6/30/23	22,827	(1,435)	-	-	-	-	1,435	-	-	-	-	-
Subtotal Assistance Listing # 10.555					(75,010)	-	-	-	-	896,564	(867,619)	-	(46,065)	-	-
School Breakfast Program	10.553	231NJ304N1199	7/1/23-6/30/24	381,160	-	-	-	-	-	358,107	(381,160)	-	(23,053)	-	-
School Breakfast Program	10.553	221NJ304N1099	7/1/22-6/30/23	468,015	(30,140)	-	-	-	-	30,140	-	-	-	-	-
Subtotal Assistance Listing # 10.553					(30,140)	-	-	-	-	388,247	(381,160)	-	(23,053)	-	-
Fresh Fruits & Vegetable Program	10.582	231NJ304L1603	7/1/23-6/30/24	60,054	-	-	-	-	-	54,314	(60,054)	-	(5,740)	-	-
Fresh Fruits & Vegetable Program	10.582	221NJ304L1603	7/1/22-6/30/23	58,813	-	-	-	-	-	-	-	-	-	-	-
Subtotal Assistance Listing # 10.582					-	-	-	-	-	54,314	(60,054)	-	(5,740)	-	-
Total Enterprise Fund/Total U.S. Department of Agriculture, Pass-Through Programs/Total Child Nutrition Cluster					(105,150)	-	-	-	-	1,339,125	(1,308,833)	-	(74,858)	-	-
Total Expenditures of Federal Awards					\$ (1,623,354)	\$ -	\$ -	\$ -	\$ -	\$ 8,368,115	\$ (7,508,238)	\$ -	\$ (776,886)	\$ 13,409	\$ -

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

MARION P. THOMAS CHARTER SCHOOL

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	(Accounts Receivable) at June 30, 2023	Deferred Revenue at June 30, 2023	Due to Grantor at June 30, 2023	Adjustments	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2024	Deferred Revenue at June 30, 2024	Due to Grantor at June 30, 2024
New Jersey State Department of Education														
General Fund:														
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	\$ 20,686,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,337,486	\$ (20,686,948)	\$ -	\$ (2,616,468)	\$ -	\$ 34,070
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	19,498,320	(507,261)	-	661,284	-	-	507,261	-	(661,284)	-	-	-
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	827,065	-	-	-	-	-	827,065	(827,065)	-	-	-	-
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	369,786	-	-	-	-	-	369,786	(369,786)	-	-	-	-
Adjustment Aid	24-495-034-5120-085	7/1/22-6/30/23	4,985,986	-	-	-	-	-	4,985,986	(4,985,986)	-	-	-	-
TPAF/FICA Reimbursements	24-495-034-5094-003	7/1/23-6/30/24	615,425	-	-	-	-	-	585,992	(615,425)	-	(29,433)	-	-
TPAF/FICA Reimbursements	23-495-034-5094-003	7/1/22-6/30/23	562,712	(52,044)	-	-	-	-	52,044	-	-	-	-	-
TPAF Post Retirement Medical Contribution	24-495-034-5094-001	7/1/23-6/30/24	785,593	-	-	-	-	-	785,593	(785,593)	-	-	-	-
TPAF Pension Contribution - Normal & NCGI	24-495-034-5094-002	7/1/23-6/30/24	2,886,476	-	-	-	-	-	2,886,476	(2,886,476)	-	-	-	-
TPAF Long Term Disability Insurance Premium	24-495-034-5094-004	7/1/23-6/30/24	2,206	-	-	-	-	-	2,206	(2,206)	-	-	-	-
Total General Fund/Total State Department of Education				<u>(559,305)</u>	<u>-</u>	<u>661,284</u>	<u>-</u>	<u>-</u>	<u>34,339,895</u>	<u>(31,159,485)</u>	<u>(661,284)</u>	<u>(2,645,901)</u>	<u>-</u>	<u>34,070</u>
Special Revenue Fund:														
Charter & Renaissance School Project Emergent and Capital Maintenance Funds	24-495-034-5120-071	7/1/23-6/30/24	420,143	-	-	-	-	-	420,143	(420,143)	-	-	-	-
Preschool Education Aid	24-495-.34-5120-086	7/1/23-6/30/24	1,086,264	-	-	-	-	-	1,086,264	(1,086,264)	-	-	-	-
Total Special Revenue Fund				<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,506,407</u>	<u>(1,506,407)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total New Jersey State Department of Education				<u>(559,305)</u>	<u>-</u>	<u>661,284</u>	<u>-</u>	<u>-</u>	<u>35,846,302</u>	<u>(32,665,892)</u>	<u>(661,284)</u>	<u>(2,645,901)</u>	<u>-</u>	<u>34,070</u>
New Jersey State Department of Agriculture - Direct Programs														
Enterprise Fund:														
State School lunch program	24-100-010-3350-023	7/1/23-6/30/24	14,683	-	-	-	-	-	13,868	(14,683)	-	(815)	-	-
State School lunch program	23-100-010-3350-023	7/1/22-6/30/23	19,996	(1,238)	-	-	-	-	1,238	-	-	-	-	-
State School breakfast - after bell program	24-100-010-3350-023	7/1/23-6/30/24	15,847	-	-	-	-	-	14,889	(15,847)	-	(958)	-	-
State School breakfast - after bell program	23-100-010-3350-023	7/1/22-6/30/23	19,479	(1,278)	-	-	-	-	1,278	-	-	-	-	-
Total Enterprise Fund/Total State Department of Agriculture - Direct Programs				<u>(2,516)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,273</u>	<u>(30,530)</u>	<u>-</u>	<u>(1,773)</u>	<u>-</u>	<u>-</u>
Total State Financial Assistance				<u>\$ (561,821)</u>	<u>\$ -</u>	<u>\$ 661,284</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,877,575</u>	<u>(32,696,422)</u>	<u>\$ (661,284)</u>	<u>\$ (2,647,674)</u>	<u>\$ -</u>	<u>\$ 34,070</u>
Less Amounts Not Subject to Single Audit:										785,593				
TPAF Post Retirement Medical Contribution										2,886,476				
TPAF Pension Contribution - Normal & NCGI										2,206				
TPAF Long Term Disability Insurance Premium														
Total Expenditures of State Financial Assistance Subject to Single Audit										<u>\$ (29,022,147)</u>				

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

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2024

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all expenditures of federal awards and state financial assistance of the Charter School. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

2. Basis of Accounting

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Charter School's basic financial statements. The information in these schedules is presented in accordance with the requirements of *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 provisions of New Jersey Department of the Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Charter School's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements and 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 fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or expenditures have been made. The general fund is presented in the accompanying schedules on the modified accrual basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to GAAP basis is \$-0- for the general fund and \$-0- for the special revenue fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3).

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2024

3. Relationship to Basic Financial Statements - *continued*

Federal awards and state financial assistance revenues are reported in the Charter School's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ 48,216	\$ 31,159,485	\$ 31,207,701
Special Revenue Fund	6,151,189	1,506,407	7,657,596
Enterprise Fund	1,308,833	30,530	1,339,363
Total	<u>\$ 7,508,238</u>	<u>\$ 32,696,422</u>	<u>\$ 40,204,660</u>

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.

5. Other

TPAF Social Security contribution in the amount of \$615,425 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2024. The amount reported as TPAF pension representing on-behalf employer's portion of the Pension System Contributions, Post-Retirement Medical Benefits Contributions and Long-Term Disability Insurance Premium Contributions in the amount of \$3,674,275 represents the amount paid by the State on behalf of the Charter School for the fiscal year ended June 30, 2024.

6. On-Behalf Programs not Subject to State Single Audit

On-behalf state programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a state single audit and therefore are excluded from major program determination. The schedule of expenditures 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.

7. De Minimis Indirect Cost

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

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Part I Summary of Auditors' Results

Financial Statements Section

Type of auditors' report issued: Unmodified
Internal control over financial reporting:

Material weaknesses identified? _____ Yes ☒ No

Significant deficiencies identified? _____ Yes ☒ None reported

Noncompliance material to basic financial statements noted? _____ Yes ☒ No

Federal Awards Section

Internal control over major programs:

Material weaknesses identified? _____ Yes ☒ No

Significant deficiencies identified? _____ 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 2 CFR 200.516(a)? _____ Yes ☒ No

Identification of major programs:

Assistance Listing

<u>Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425U	S425U210027	American Rescue Plan (ARP) ESSER III
84.425V	S425V240031	GEER – New Jersey High Impact Tutoring

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

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

MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Part I Summary of Auditors' Results

State Financial Assistance Section

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

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

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

Internal control over major programs:

Material weaknesses identified? ☐ Yes ☒ No

Significant deficiencies identified? ☐ Yes ☒ None reported

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

Identification of Major Programs:

<u>State Grant/Program Number(s)</u>	<u>Name of State Program or Cluster</u>
24-495-034-5120-078	Equalization Aid
24-495-034-5120-089	Special Education Aid
24-495-034-5120-084	Security Aid
24-495-034-5120-085	Adjustment Aid

**MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Part III – Schedule of Federal Awards and State Financial Assistance

None.

**MARION P. THOMAS CHARTER SCHOOL
(County of Essex)
Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2024**

Financial Statements Findings:

None

Major Federal Award Findings:

None