

**SUSSEX COUNTY CHARTER SCHOOL
FOR TECHNOLOGY**

**Board of Trustees
Sussex County Charter School
For Technology
Sparta, New Jersey**

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

Annual Comprehensive Financial Report

of the

**SUSSEX COUNTY CHARTER SCHOOL
FOR TECHNOLOGY**

Sparta, New Jersey

For the Fiscal Year Ended June 30, 2024

**Prepared by
Sussex County Charter School
For Technology
Finance Department**

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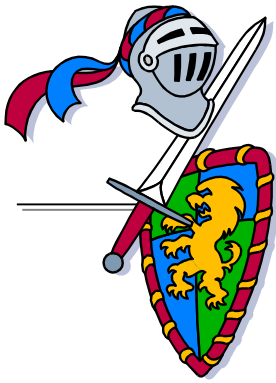
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INTRODUCTORY SECTION
(UNAUDITED)



SUSSEX COUNTY

CHARTER SCHOOL FOR TECHNOLOGY

385 N.Church Rd., Sparta, NJ 07871 phone :(973) 383-3250 fax :(973) 383-2901

October 1, 2024

The Honorable President and Members
of the Board of Trustees
Sussex County Charter School for Technology
Sparta, New Jersey

Dear Board Members:

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Charter School's organizational chart, roster of officials and a list of consultants and advisors. The financial section includes the Independent Auditors' Report, management's discussion and analysis, the basic financial statements and notes providing an overview of the Charter School's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the Charter School, generally presented on a multi- year basis. The Charter School is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Sussex County Charter School for Technology (School) is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the Charter School are included in this report. The Sussex County Charter School for Technology constitutes the Charter School's reporting entity.

1) REPORTING ENTITY AND ITS SERVICES: (Cont'd)

The Charter School provides a full range of educational services appropriate to grade levels 6, 7 and 8. These services include enhancing the academic learning opportunities through the integrated use of available technologies. The program is structured around small class size, a dynamic and integrated curriculum which has been aligned with the New Jersey Core Curriculum Content Standards and the infusion of technology to stimulate student enthusiasm and interest in the learning process.

The Charter School completed the 2023-2024 fiscal year; its twenty first year of operation, with a max enrollment of 225 students.

2) ECONOMIC CONDITION AND OUTLOOK:

Enrollment at the Charter School on June 30, 2024 was 225. We maintained an almost full enrollment throughout the school year with an average enrollment of 223.5 students. The General Fund balance was \$2,160,230 on June 30, 2024.

3) MAJOR INITIATIVES:

During the 2023-2024 school year, we furthered the growth of our RTI program by designating 2 staff members (one in ELA and one in Mathematics) as solely focusing on students that need additional intervention during 2 of their class periods each day. Additionally, SCCST saw a need to begin introducing students in 8th grade to engineering. During the 23-24 school year, all students received one marking period of engineering, focusing on the engineering design process and providing students opportunities to complete hands-on projects in a group setting. This course, taught by one of our teachers who was a former ballistics engineer at Picatinny Arsenal, has allowed students to build the foundational skills of the engineering process and steer students towards a career in a STEM related field.

Sussex Charter also introduced its new SEL/Character Education Program, No Place for Hate. This program, sponsored by the Anti-Defamation League, is rooted in cultivating student leadership to improve school climate. This involved holding 3 different events, in collaboration with community partners, to have students understand the need for an inclusive environment. Lastly, as a means of increasing student climate, SCCST installed physical basketball hoops in its gymnasium. This allowed for SCCST to host home games for both the Boys and Girls Basketball teams, with limited fan seating.

4) INTERNAL ACCOUNTING CONTROLS:

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

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

4) INTERNAL ACCOUNTING CONTROLS: (Cont'd)

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

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 legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the General, Special Revenue and Debt Service Funds. Project length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6) ACCOUNTING SYSTEM AND REPORTS:

The Charter School's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the Charter School is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

7) CASH MANAGEMENT:

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

8) RISK MANAGEMENT:

The Board carries various forms of insurance, including, but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of the Charter School's insurance coverage is found on Exhibit J-20.

Supplementary 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 supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2024 on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Charter School's internal control over financial reporting and compliance.

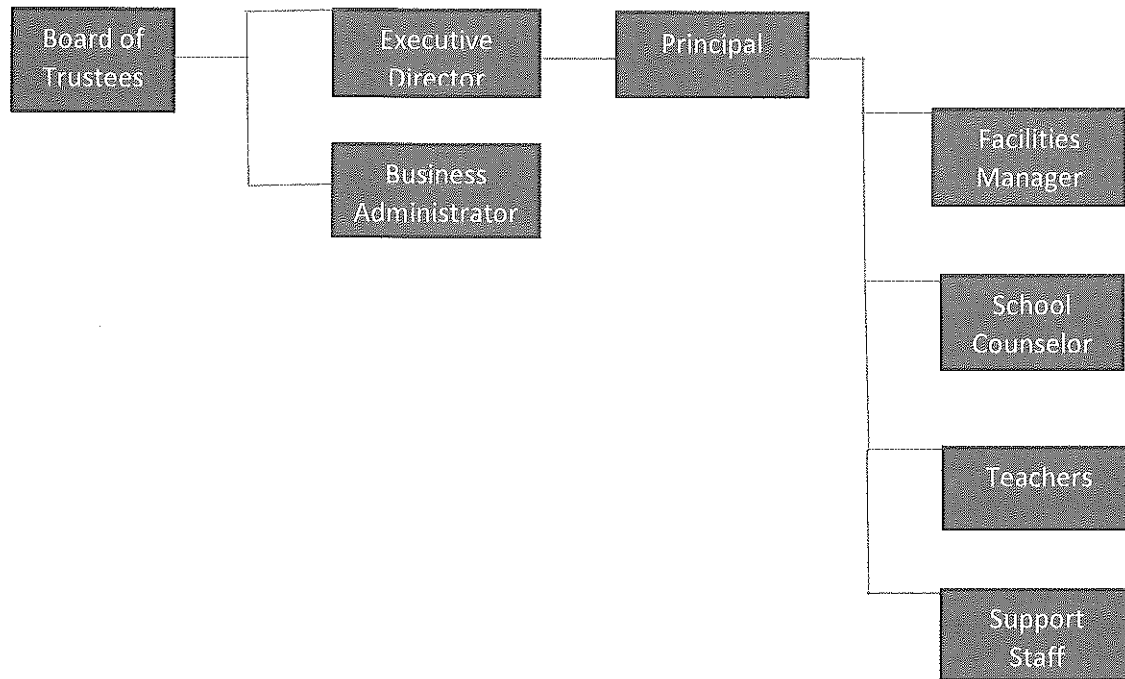
October 1, 2024
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

Sussex County Charter School for Technology Organizational Chart



SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
ROSTER OF OFFICIALS
JUNE 30, 2024

| <u>Members of the Board of Trustees:</u> | <u>Expiration of Term</u> |
|--|-------------------------------|
| Jason Apter, President | 2027 |
| Stephanie DePinto, Vice President | 2026 |
| Anna Burke | 2025 |
| Michael Busniak | 2024 |
| Lesa McGuinness | 2027 |
| Garrett Perconti | 2024 |
| Lou Ruggerio | 2024 |

| <u>Other Officials</u> | <u>Title</u> |
|------------------------|--|
| Michael Bell | Principal |
| Noreen Lazariuk | Chief School Administrator |
| Candace Leatham | Treasurer |
| Kimberly Wettstein | Business Administrator/Board Secretary |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY

Consultants and Advisors

Audit Firm

Nisivoccia LLP

Mount Arlington Corporate Center

200 Valley Road, Suite 300

Mount Arlington, NJ, 07856

and

Lawrence Business Park

11 Lawrence Road

Newton, NJ 07860

and

140 Route 22 East, Suite 203

Bridgewater, NJ 08807

Attorney

Weiner Lesniak LLP

629 Parsippany Road

PO Box 0483

Parsippany, NJ 07054

Official Depository

PNC Bank

Two Tower Center Boulevard, 21st Floor

East Brunswick, NJ 08816

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Trustees
Sussex County Charter School for Technology
County of Sussex, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Sussex County Charter School for Technology (the “Charter School”) in the County of Sussex, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise of 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 financial position of the governmental activities and each major fund of the Charter School, as of June 30, 2024, and the changes in financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the “Office”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 qualified 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 misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and postemployment benefits schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2024 on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Charter School's internal control over financial reporting and compliance.

October 1, 2024
Mount Arlington, New Jersey

Nisivoccia LLP

NISIVOCCIA LLP

Valerie A. Dolan

Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Sussex County Charter School for Technology
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

This section of Sussex County Charter School for Technology's annual financial report presents its discussion and analysis of the Charter School's financial performance during the fiscal year ending June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the Charter School's financial statements, which immediately follow this section.

Overview of the Financial Statements

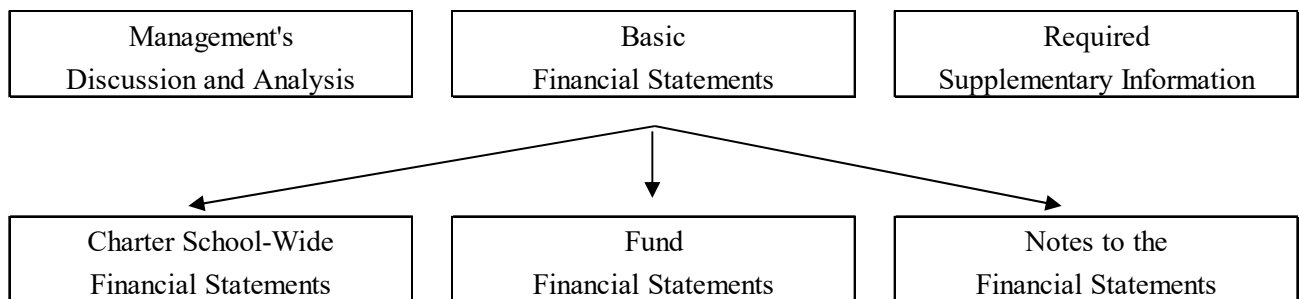
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Charter School:

- The first two statements are *Charter School-wide financial statements* that provide both *short-term* and *long-term* information about the Charter School's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the Charter School, reporting the School's operations in *more* detail than the Charter School-Wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- The *proprietary funds statements* offer short- and long-term financial information about the activities the School operates like a business, such as food services. The Charter School does not report any proprietary funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Charter School's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of the Sussex County Charter School for Technology's Financial Report



**Sussex County Charter School for Technology
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Figure A-2 summarizes the major features of the Charter School's financial statements, including the portion of the Charter School's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

| | District-Wide Statements | Fund Financial Statements Governmental Funds |
|--|--|---|
| Scope | Entire district | The activities of the district that are not proprietary, such as special education and building maintenance |
| Required Financial Statements | <ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities | <ul style="list-style-type: none"> • Balance Sheet • Statement of Revenue, and Changes in Fund |
| Accounting basis and measurement focus | Accrual Accounting and Economic Resources Focus | Modified Accrual Accounting and Current Financial Focus |
| Type of Asset/Liability | All Assets and Liabilities, both Financial and Capital, Short-Term and Long-Term | Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets, or long-term liabilities included |
| Type of Inflow/Outflow Information | All Revenue and Expenses during the year, regardless of when Cash is Received or Paid | Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable |

**Sussex County Charter School for Technology
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Charter School-wide Statements

The Charter School-wide statements report information about the Charter School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Charter School's assets, deferred outflows and deferred inflows, and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two Charter School-wide statements report the Charter School's *net position* and how they have changed. Net positions – the difference between the Charter School's assets, deferred outflows and deferred inflows, and liabilities – is one way to measure the Charter School's financial health or *position*.

- Over time, increases or decreases in the School's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Charter School's overall health, you need to consider additional nonfinancial factors such as changes in the Charter School's property tax base and the condition of school buildings and other facilities.

In the Charter School-wide financial statements, the School's activities are in the following category:

- *Governmental activities:* Most of the Charter School's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Charter School's funds, focusing on its most significant or "major" funds – not the Charter School as a whole. Funds are accounting devices the School uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The Charter School establishes other funds to control and manage money for particular purposes (such as repaying its long-term liabilities) or to show that it properly using certain revenue (such as federal grants).

The School has one kind of fund:

- *Governmental funds:* Most of the Charter School's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Charter School's programs. Because this information does not encompass the additional long-term focus of the Charter School-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

**Sussex County Charter School for Technology
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Fund Financial Statements

Notes to the Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the Charter School-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the School as a Whole

Net Position. The Charter School's net position was \$2,915,560 on June 30, 2024, \$385,191 or 15.22% more than it was the year before. (See Figure A-3).

**Figure A-3
Condensed Statement of Net Position**

| | Governmental Activities | | Percentage |
|----------------------------------|-------------------------|------------------|---------------------|
| | 2024 | Restated 2023 | Change 2023-2024 |
| Current/Other Assets | \$ 2,423,907 | \$ 2,226,509 | |
| Capital Assets, Net | 4,483,499 | 4,478,527 | |
| Lease Assets, Net | 59,846 | 89,965 | |
| Total Assets | 6,967,252 | 6,795,001 | 2.53% |
| Deferred Outflows of Resources | 154,063 | 134,150 | 14.84% |
| Other Liabilities | 267,942 | 256,555 | |
| Long-term Liabilities | 3,680,655 | 3,736,674 | |
| Total Liabilities | 3,948,597 | 3,993,229 | -1.12% |
| Deferred Inflows of Resources | 257,158 | 405,553 | -36.59% |
| Net Position: | | | |
| Net Investment in Capital Assets | 1,394,181 | 1,198,662 | |
| Restricted | 113,994 | 94,178 | |
| Unrestricted | 1,407,385 | 1,237,529 | |
| Total Net Position | \$ 2,915,560 | \$ 2,530,369 | 15.22% |

Changes in Net Position. The Charter School's net position for governmental activities increased \$385,191 over the course of the year. Net investment in capital assets increased \$195,519 due to the retirement of long-term liabilities related to capital assets, offset by current year additions, deletions, and depreciation. Restricted net position increased \$19,816 due to changes in restricted net position for unemployment contributions and student activities. Unrestricted net position increased by \$169,856 mainly due to changes in the net pension liability and the related deferred inflows and outflows.

**Sussex County Charter School for Technology
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

**Figure A-4
Changes in Net Position from Operating Results**

| | Governmental Activities | | Percentage Change 2023-2024 |
|---|-------------------------|------------|-----------------------------------|
| | 2024 | 2023 | |
| Revenue: | | | |
| Program Revenue: | | | |
| Charges for Services | \$ 65,074 | \$ 34,145 | |
| Operating Grants and Contributions | 857,857 | 801,480 | |
| General Revenue: | | | |
| Local Property Taxes - Charter School Aid | 3,451,155 | 3,356,358 | |
| Unrestricted Federal and State Aid | 1,209,904 | 1,173,196 | |
| Other | 35,423 | 492 | |
| Total Revenue | 5,619,413 | 5,365,671 | 4.73% |
| Expenses: | | | |
| Instruction | 3,090,900 | 2,995,106 | |
| Student and Instructional Services | 646,679 | 616,970 | |
| Administration and Business | 808,281 | 660,456 | |
| Maintenance and Operations | 472,723 | 403,863 | |
| Transportation | 2,597 | 2,733 | |
| Other | 213,042 | 254,994 | |
| Total Expenses | 5,234,222 | 4,934,122 | 6.08% |
| Increase in Net Position | \$ 385,191 | \$ 431,549 | -10.74% |

Governmental Activities

The financial position of the Charter School increased significantly over the course of the year. Through careful budgeting, the Charter School has managed to maintain programs. Careful management of expenses remains essential for the Charter School to sustain its financial health.

Figure A-5 presents the cost of six major Charter School activities: instruction, pupil and instruction services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs):

**Sussex County Charter School for Technology
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)**

**Figure A-5
Net Cost of Governmental Activities**

| | Total Cost of Services | | Net Cost of Services | |
|--------------------------------|------------------------|---------------------|----------------------|---------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Instruction | \$ 3,090,900 | \$ 2,995,106 | \$ 2,524,355 | \$ 2,403,187 |
| Pupil and Instruction Services | 646,679 | 616,970 | 466,753 | 444,786 |
| Administration and Business | 808,281 | 660,456 | 792,493 | 632,799 |
| Maintenance and Operations | 472,723 | 403,863 | 312,051 | 359,998 |
| Transportation | 2,597 | 2,733 | 2,597 | 2,733 |
| Other | 213,042 | 254,994 | 213,042 | 254,994 |
| Total | <u>\$ 5,234,222</u> | <u>\$ 4,934,122</u> | <u>\$ 4,311,291</u> | <u>\$ 4,098,497</u> |

Financial Analysis of the Charter School's Funds

The financial position of the Charter School increased on a fund basis during the year. This increase was mostly attributable to the unexpended budget appropriations.

General Fund Budgetary Highlights

Over the course of the year, the Charter School revised the annual operating budget several times. These budget amendments represented changes made between budgetary line items for changes in school-based needs for programs and supplies.

Capital Asset and Long-Term Liabilities Administration

Capital Assets

More detailed information about the Charter School's capital assets is presented in the Notes to the Basic Financial Statements, Note 4.

**Figure A-6
Capital Assets (Net of Depreciation)**

| | Governmental Activities | | Total Percent Change 2023-2024 |
|---|-------------------------|---------------------|---|
| | 2024 | 2023 | |
| Sites (Land) | \$ 500,000 | \$ 500,000 | |
| Buildings and Building Improvements | 3,914,096 | 3,905,879 | |
| Machinery and Equipment | 69,403 | 72,648 | |
| Total Capital Assets, Net of Depreciation | <u>\$ 4,483,499</u> | <u>\$ 4,478,527</u> | 0.11% |

**Sussex County Charter School for Technology
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Long-term Liabilities

At year-end, the Charter School had \$3,680,655 in long-term liabilities – as shown in Figure A-7. (More detailed information about the Charter School's long-term liabilities is presented in the Notes to the Basic Financial Statements, Note 6.)

**Figure A-7
Outstanding Long-Term Liabilities**

| | Total School District (Restated) | | Percentage Change |
|------------------------------|-------------------------------------|---------------------|----------------------|
| | 2024 | 2023 | 2023-2024 |
| Loans Payable | \$ 3,088,062 | \$ 3,278,585 | |
| Compensated Absences Payable | 154,191 | 89,071 | |
| Net Pension Liability | 377,301 | 277,774 | |
| Leases Payable | 61,101 | 91,244 | |
| | <u>\$ 3,680,655</u> | <u>\$ 3,736,674</u> | -1.50% |

Factors Bearing on the Charter School's Future

The current enrollment cap of 225 students needs to be maintained to ensure revenue will support current programs.

The Charter School would like to expand their property and provide for elementary grade levels but will need the approval from the State to expand the grade levels and an additional loan to purchase property.

Cost of products and health insurance has increased substantially due to the current financial situation. The Charter School needs to closely monitor spending and make fiscally sound decisions during this time.

Contacting the Charter School's Financial Management

This financial report is designed to provide the Charter School's citizens, taxpayers, customers and investors and creditors with a general overview of the School's finances and to demonstrate the Charter School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Charter School Office, 385 North Church Road, Sparta, New Jersey 07871.

BASIC FINANCIAL STATEMENTS

CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
STATEMENT OF NET POSITION
JUNE 30, 2024

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Cash and Cash Equivalents | \$ 2,119,013 |
| Receivable from Local Governments | 111,063 |
| Receivable from State Government | 59,016 |
| Receivable from Federal Government | 20,821 |
| Restricted Cash and Cash Equivalents | 113,994 |
| Capital Assets: | |
| Site (Land) | 500,000 |
| Depreciable Buildings and Building Improvements and Machinery and Equipment, Net | 3,983,499 |
| Lease Assets, Net | 59,846 |
| Total Assets | <u>6,967,252</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred Outflows Related to Pensions | 154,063 |
| Total Deferred Outflows of Resources | <u>154,063</u> |
| LIABILITIES | |
| Accounts Payable | 85,620 |
| Payable to Local Governments | 108,343 |
| Unearned Revenue | 73,979 |
| Noncurrent Liabilities: | |
| Due Within One Year | 227,146 |
| Due Beyond One Year | 3,453,509 |
| Total Liabilities | <u>3,948,597</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Inflows Related to Pensions | 257,158 |
| Total Deferred Inflows of Resources | <u>257,158</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 1,394,181 |
| Restricted for: | |
| Charter School Escrow | 75,235 |
| Maintenance Reserve | 507 |
| Unemployment Compensation | 12,517 |
| Student Activities | 25,735 |
| Unrestricted | 1,407,385 |
| Total Net Position | <u>\$ 2,915,560</u> |

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | | | | Net (Expense) Revenue and Changes in Net Position |
|--|--------------|-------------------------|--|--|
| | | Program Revenue | | |
| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Governmental Activities |
| Governmental Activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 2,849,922 | | \$ 531,941 | \$ (2,317,981) |
| Special Education | 127,886 | | 19,993 | (107,893) |
| Other Instruction | 113,092 | | 14,611 | (98,481) |
| Support Services: | | | | |
| Student & Instruction Related Services | 646,679 | \$ 65,074 | 114,852 | (466,753) |
| General Administration Services | 329,894 | | 6,242 | (323,652) |
| School Administration Services | 173,838 | | 2,674 | (171,164) |
| Central Services | 244,752 | | 5,984 | (238,768) |
| Administrative Information Technology | 59,797 | | 888 | (58,909) |
| Plant Operations and Maintenance | 472,723 | | 160,672 | (312,051) |
| Pupil Transportation | 2,597 | | | (2,597) |
| Unallocated Depreciation | 107,537 | | | (107,537) |
| Interest and Other Charges | 105,505 | | | (105,505) |
| Total Governmental Activities | 5,234,222 | 65,074 | 857,857 | (4,311,291) |
| Total Primary Government | \$ 5,234,222 | \$ 65,074 | \$ 857,857 | (4,311,291) |
| General Revenue: | | | | |
| Taxes: | | | | |
| Local Tax Levy | | | | 3,451,155 |
| Unrestricted Federal and State Aid | | | | 1,209,904 |
| Miscellaneous Income | | | | 35,423 |
| Total General Revenue | | | | 4,696,482 |
| Change in Net Position | | | | 385,191 |
| Net Position - Beginning (Restated) | | | | 2,530,369 |
| Net Position - Ending | | | | \$ 2,915,560 |

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

| | General Fund | Special Revenue Fund | Debt Service Fund | Total Governmental Funds |
|--------------------------------------|---------------------|----------------------------|-------------------------|--------------------------------|
| ASSETS: | | | | |
| Cash and Cash Equivalents | \$ 2,045,710 | \$ 73,303 | | \$ 2,119,013 |
| Intergovernmental Receivable: | | | | |
| Local | 111,063 | | | 111,063 |
| Federal | | 20,821 | | 20,821 |
| State | 59,016 | | | 59,016 |
| Restricted Cash and Cash Equivalents | 88,259 | 25,735 | | 113,994 |
| Total Assets | <u>\$ 2,304,048</u> | <u>\$ 119,859</u> | <u>\$ - 0 -</u> | <u>\$ 2,423,907</u> |
| LIABILITIES AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ 35,475 | \$ 20,145 | | \$ 55,620 |
| Payable to Local Governments | 108,343 | | | 108,343 |
| Unearned Revenue | | 73,979 | | 73,979 |
| Total Liabilities | <u>143,818</u> | <u>94,124</u> | | <u>237,942</u> |
| Fund Balances: | | | | |
| Restricted: | | | | |
| Maintenance Reserve | 507 | | | 507 |
| Charter School Escrow | 75,235 | | | 75,235 |
| Unemployment Compensation | 12,517 | | | 12,517 |
| Student Activities | | 25,735 | | 25,735 |
| Assigned to: | | | | |
| Encumbrances | 123,866 | | | 123,866 |
| Unassigned | 1,948,105 | | | 1,948,105 |
| Total Fund Balances | <u>2,160,230</u> | <u>25,735</u> | | <u>2,185,965</u> |
| Total Liabilities and Fund Balances | <u>\$ 2,304,048</u> | <u>\$ 119,859</u> | <u>\$ - 0 -</u> | <u>\$ 2,423,907</u> |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

Amounts Reported for *Governmental Activities* in the *Statement of Net Position* (Exhibit A-1) are different because

| | |
|--|---------------------|
| Total Fund Balances - Governmental Funds | \$ 2,185,965 |
| Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. | 4,483,499 |
| Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. | 59,846 |
| Long-Term Liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the Funds. | (3,303,354) |
| The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds. | (377,301) |
| Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds: | |
| Deferred Outflows | 124,063 |
| Deferred Inflows | <u>(257,158)</u> |
| Net Position of Governmental Activities | <u>\$ 2,915,560</u> |

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | General Fund | Special Revenue Fund | Debt Service Fund | Total Governmental Funds |
|--|-----------------|----------------------------|-------------------------|--------------------------------|
| REVENUE: | | | | |
| Local Sources: | | | | |
| Local Tax Levy | \$ 3,451,155 | | | \$ 3,451,155 |
| Restricted Miscellaneous | 4,816 | \$ 65,074 | | 69,890 |
| Unrestricted Miscellaneous | 30,607 | | | 30,607 |
| Total - Local Sources | 3,486,578 | 65,074 | | 3,551,652 |
| State Sources | 2,121,079 | 60,056 | | 2,181,135 |
| Federal Sources | | 307,272 | | 307,272 |
| Total Revenue | 5,607,657 | 432,402 | | 6,040,059 |
| EXPENDITURES: | | | | |
| Instruction: | | | | |
| Regular Instruction | 1,674,027 | 107,762 | | 1,781,789 |
| Special Education Instruction | 77,596 | | | 77,596 |
| Other Instruction | 76,341 | | | 76,341 |
| Support Services and Undistributed Costs: | | | | |
| Student & Instruction Related Services | 392,691 | 152,412 | | 545,103 |
| General Administration Services | 275,564 | | | 275,564 |
| School Administration Services | 85,346 | | | 85,346 |
| Central Services | 197,227 | | | 197,227 |
| Administrative Information Technology | 52,745 | | | 52,745 |
| Plant Operations and Maintenance | 410,928 | | | 410,928 |
| Pupil Transportation | 2,597 | | | 2,597 |
| Unallocated Benefits | 1,895,548 | | | 1,895,548 |
| Capital Outlay | | 157,236 | | 157,236 |
| Debt Service: | | | | |
| Principal | | | \$ 190,523 | 190,523 |
| Interest and Other Charges | | | 105,505 | 105,505 |
| Total Expenditures | 5,140,610 | 417,410 | 296,028 | 5,854,048 |
| Excess/(Deficiency) of Revenue over/(under) Expenditures | 467,047 | 14,992 | (296,028) | 186,011 |
| OTHER FINANCING SOURCES/(USES): | | | | |
| Transfers | (296,028) | | 296,028 | |
| Total Other Financing Sources/(Uses) | (296,028) | | 296,028 | |
| Net Change in Fund Balances | 171,019 | 14,992 | | 186,011 |
| Fund Balance—July 1 | 1,989,211 | 10,743 | | 1,999,954 |
| Fund Balance—June 30 | \$ 2,160,230 | \$ 25,735 | \$ -0- | \$ 2,185,965 |

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 186,011

Amounts Reported for *Governmental Activities* in the *Statement of Activities* (Exhibit A-2) are Different Because:

Capital outlays related to capital assets 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 differ from depreciation and disposal of assets with carrying value in the current period.

| | | | |
|--|----|-----------|-------|
| Capital Outlays | \$ | 136,399 | |
| Disposal of Assets with Carrying Value | | (10,328) | |
| Depreciation Expense | | (121,099) | |
| | | | 4,972 |

Capital outlays related to lease assets are reported in Governmental Funds as expenditures. However, in the Statement of Activities the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period.

| | | | |
|----------------------|--|----------|--|
| Amortization Expense | | (30,119) | |
|----------------------|--|----------|--|

Repayment of Loans is an expenditure in the Governmental Funds, but the repayment reduces Long-term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities. 190,523

In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (65,120)

Repayment of leases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities. 30,143

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

| | |
|---|-------------------|
| Change in Net Pension Liability | \$ (99,527) |
| Change in Deferred Outflows | 19,913 |
| Change in Deferred Inflows | <u>148,395</u> |
| Change in Net Position (from Exhibit A-2) | <u>\$ 385,191</u> |

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Trustees (the "Board") of the Sussex County Charter School for Technology (the "Charter School") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of volunteer officials and is responsible for the fiscal control of the Charter School. An Executive Director is appointed by the Board and is responsible for the administrative control of the Charter School.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the Charter School is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

Charter School-Wide Financial Statements:

The Statement of Net Position and the Statement of Activities present financial information about the Charter School's Governmental activities. These statements include the financial activities of the overall Charter School in its entirety. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenue and other non-exchange transactions.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Charter School-Wide Financial Statements: (Cont'd)

The Statement of Activities presents a comparison between direct expenses and program revenue for each function of the Charter School's Governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function is self-financing or draws from the general revenues of the Charter School.

Fund Financial Statements:

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

The Charter School reports the following Governmental Funds:

General Fund: The General Fund is the general operating fund of the Charter School and is used to account for and report all expendable financial resources not 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.

As required by NJDOE, the Charter School includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, school taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

The Charter School does not report any proprietary funds where the stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting:

The Charter School-Wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Charter School gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The Charter School considers all revenue reported in the Governmental Funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset, lease asset or subscription asset acquisitions are reported as expenditures in Governmental Funds. Proceeds of general long-term debt and acquisitions under financed purchase are reported as other financing sources.

It is the Charter School's policy that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the Charter School's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the Charter School may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the Charter School's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control:

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year-end. The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

| | General Fund | Special Revenue Fund |
|---|---------------------|----------------------------|
| Sources/Inflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Revenue" | | |
| from the Budgetary Comparison Schedule | \$ 5,607,657 | \$ 469,577 |
| Grant Accounting Budgetary Basis Differs from GAAP in that | | |
| Budgetary Basis Recognizes Encumbrances as Expenditures | | |
| and Revenue, whereas the GAAP Basis does not: | | |
| Prior Year Encumbrances | | 37,108 |
| Current Year Encumbrances | | (74,283) |
| Total Revenues as Reported on the Statement of Revenues, | | |
| Expenditures and Changes in Fund Balances - Governmental Funds | <u>\$ 5,607,657</u> | <u>\$ 432,402</u> |
| Uses/Outflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the | | |
| Budgetary Comparison Schedule | \$ 5,140,610 | \$ 454,585 |
| 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: | | |
| Prior Year Encumbrances | | 37,108 |
| Current Year Encumbrances | | (74,283) |
| Total Expenditures as Reported on the Statement of Revenue, | | |
| Expenditures, and Changes in Fund Balances - Governmental Funds | <u>\$ 5,140,610</u> | <u>\$ 417,410</u> |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The Charter School generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The Charter School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey charter schools are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the Charter School has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits 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.

F. Interfund Transactions:

Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables.

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in Governmental Funds, other than the Special Revenue Fund, are reported as restricted, committed and/or assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances: (Cont'd)

Open encumbrances in the Special Revenue Fund for which the Charter School has received advances are reflected in the balance sheet as unearned revenue at fiscal year-end.

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

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Charter School and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses which benefit future periods, are recorded as expenditures during the year of purchase.

K. Capital Assets:

During the Charter School's initial year of operation, a formal system of accounting for its capital assets was established. Capital assets acquired or constructed are recorded at historical cost including ancillary charges necessary to place the asset into service. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The Charter School does not possess any infrastructure. The Charter School has reviewed capital assets for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the Charter School-Wide statements are as follows:

| | <u>Estimated Useful Life</u> |
|-------------------------------------|------------------------------|
| Buildings and Building Improvements | 50 years |
| Machinery and Equipment | 10 to 15 years |

In the Fund financial statements, capital assets used in the Governmental Fund operations are accounted for as capital outlay expenditures in the Governmental Funds upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the Fund financial statements.

L. Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

M. Subscription Assets:

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

In the Charter School-Wide *Statement of Net Position*, long-term debt and other long-term obligations are reported as liabilities in governmental activities. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. In the Charter School-Wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due beyond one year.

O. Accrued Salaries and Wages:

The Charter School does not allow employees, who provide services to the Charter School over the ten-month academic year, the option to have their salaries evenly disbursed during the entire twelve-month year. Therefore, there are no accrued salaries and wages at June 30, 2024.

P. Compensated Absences:

The Charter School accounts for compensated absences as directed by GASB. A liability attributable to services already rendered and not contingent on a specific event outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

Employees are granted varying amounts of vacation and sick leave in accordance with the Charter School's policies and employee contracts. Upon separation, certain employees are paid for accrued vacation. Employees can also accumulate unused sick leave which will be paid, with certain limits, upon the employee's retirement pursuant to the Charter School's policy or employee contracts.

In the Charter School-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due after one year.

Q. Unearned Revenue:

Unearned revenue in the Special Revenue Fund represents cash which has been received but not yet earned. See Note 1(D) regarding the Special Revenue Fund.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

S. Subscription Payable

In the charter school-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

T. Fund Balance Appropriated:

General Fund: Of the \$2,160,230 General Fund balance at June 30, 2024, \$507 is restricted for a maintenance reserve, \$75,235 is restricted for Charter School Escrow, \$12,517 is restricted for Unemployment Compensation, \$123,866 is assigned for encumbrances, and \$1,948,105 is unassigned.

Special Revenue Fund: The \$25,735 Special Revenue Fund balance at June 30, 2024 is restricted for Student Activities.

U. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the Charter School that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the Charter School that is applicable to a future reporting period. The Charter School had deferred outflows and inflows of resources at June 30, 2024 related to pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization, and subscription assets, net of accumulated depreciation reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

U. Net Position: (Cont'd)

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

V. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the Charter School's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The Charter School has funds restricted at June 30, 2024 for Maintenance Reserve, Charter School Escrow, Student Activities, and Unemployment Compensation.

Unassigned fund balance is the residual classification for the Charter School's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

The Board of Trustees has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the members of the Board of Trustees at a public meeting of that governing body. The Board of Trustees must also utilize a formal motion or a resolution passed by a majority of the members of the Board of Trustees at a public meeting of that governing body in order to remove or change the commitment of resources. The Charter School has no committed resources at June 30, 2024.

The assignment of resources is generally made by the Board of Trustees through a motion or a resolution passed by a majority of the members of the Board of Trustees. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Trustees may allow an official of the Charter School to assign resources through policies adopted by the Board of Trustees. The Charter School has assigned resources for encumbrances at June 30, 2024.

W. Revenue - Exchange and Non-exchange Transactions:

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Revenue - Exchange and Non-exchange Transactions: (Cont'd)

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

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

X. Management Estimates:

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

Y. Pensions

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND CHARTER SCHOOL-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and Charter School-Wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

The Charter School classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

GASB requires disclosure of the level of custodial credit risk assumed by the Charter School in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the Charter School ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The Charter School limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the Investment section of this note.

Custodial Credit Risk – The Charter School's policy with respect to custodial credit risk requires that the Charter School ensures that Charter School funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

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

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

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit, and

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

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

| | Cash and Cash Equivalents | Restricted Charter Escrow | Cash and Cash Equivalents Maintenance Reserve | Unemployment Compensation | Student Activities | Total Cash and Cash Equivalents |
|----------------------------------|---------------------------------|---------------------------------|---|------------------------------|-----------------------|---------------------------------------|
| Checking and Savings Accounts | <u>\$ 2,119,013</u> | <u>\$ 75,235</u> | <u>\$ 507</u> | <u>\$ 12,517</u> | <u>\$ 25,735</u> | <u>\$ 2,233,007</u> |

During the period ended June 30, 2024, the Charter School did not hold any investments. The carrying amount of the Charter School's cash and cash equivalents at June 30, 2024, was \$2,233,007 and the bank balance was \$2,319,331.

NOTE 4. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2024 were as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|-------------------|--------------------|---------------------|
| Governmental Activities: | | | | |
| Capital Assets not being Depreciated: | | | | |
| Sites (Land) | <u>\$ 500,000</u> | | | <u>\$ 500,000</u> |
| Total Capital Assets not Being Depreciated | <u>500,000</u> | | | <u>500,000</u> |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Building Improvements | <u>5,279,889</u> | <u>\$ 115,000</u> | | <u>5,394,889</u> |
| Machinery and Equipment | <u>214,608</u> | <u>21,399</u> | <u>\$ (47,835)</u> | <u>188,172</u> |
| Total Capital Assets Being Depreciated | <u>5,494,497</u> | <u>136,399</u> | <u>(47,835)</u> | <u>5,583,061</u> |
| Governmental Activities Capital Assets | <u>5,994,497</u> | <u>136,399</u> | <u>(47,835)</u> | <u>6,083,061</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Building Improvements | <u>(1,374,010)</u> | <u>(106,783)</u> | | <u>(1,480,793)</u> |
| Machinery and Equipment | <u>(141,960)</u> | <u>(14,316)</u> | <u>37,507</u> | <u>(118,769)</u> |
| Total Accumulated Depreciation | <u>(1,515,970)</u> | <u>(121,099)</u> | <u>37,507</u> | <u>(1,599,562)</u> |
| Governmental Activities Capital Assets, Net of Accumulated Depreciation | <u>\$ 4,478,527</u> | <u>\$ 15,300</u> | <u>\$ (10,328)</u> | <u>\$ 4,483,499</u> |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 4. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to the governmental functions as follows:

| | |
|--|-------------------|
| Regular Instruction | \$ 4,758 |
| Student & Instruction Related Services | 3,342 |
| General Administration | 2,126 |
| Plant Operations and Maintenance | 1,203 |
| School Administration | 2,133 |
| Unallocated | 107,537 |
| | <u>\$ 121,099</u> |

NOTE 5. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2024 were as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Adjustments/ Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|--------------------|-----------------------------------|---------------------------|
| Lease Assets Being Amortized: | | | | |
| Buildings | \$ 127,014 | | | \$ 127,014 |
| Machinery and Equipment | 23,189 | | | 23,189 |
| Total Lease Assets Being Amortized | <u>150,203</u> | | | <u>150,203</u> |
| Governmental Activities Lease Assets | <u>150,203</u> | | | <u>150,203</u> |
| Less Accumulated Amortization for: | | | | |
| Buildings | (50,806) | \$ (25,403) | | (76,209) |
| Machinery and Equipment | <u>(9,432)</u> | <u>(4,716)</u> | | <u>(14,148)</u> |
| | <u>(60,238)</u> | <u>(30,119)</u> | | <u>(90,357)</u> |
| Governmental Activities Lease Assets, Net of Accumulated Amortization | <u>\$ 89,965</u> | <u>\$ (30,119)</u> | <u>\$ -0-</u> | <u>\$ 59,846</u> |

Amortization expense was charged to governmental functions as follows:

| | |
|---------------------|------------------|
| Regular Instruction | <u>\$ 30,119</u> |
| | <u>\$ 30,119</u> |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the Charter School-Wide financial statements:

| | (Restated) | | | |
|------------------------------|---------------------|-------------------|-------------------|---------------------|
| | Balance | | | Balance |
| | June 30, 2023 | Accrued | Retired | June 30, 2024 |
| Loans Payable | \$ 3,278,585 | | \$ 190,523 | \$ 3,088,062 |
| Leases Payable | 91,244 | | 30,143 | 61,101 |
| Compensated Absences Payable | 89,071 | \$ 65,120 | | 154,191 |
| Net Pension Liability | 277,774 | 99,527 | | 377,301 |
| | <u>\$ 3,736,674</u> | <u>\$ 164,647</u> | <u>\$ 220,666</u> | <u>\$ 3,680,655</u> |

A. Loans Payable:

On December 27, 2010, the Charter School obtained loans totaling \$4,247,080 for the acquisition of land and buildings for the School's new facilities. On February 1, 2023, the Charter School obtained loans totaling \$37,940 for HVAC and Lighting projects. These loans will be liquidated through the General Fund (but are reflected for reporting purposes through the Debt Service Fund).

The details of the loans payable outstanding as of June 30, 2024 are as follows:

| | <u>Sussex Bank Loan</u> | |
|-----------------|-------------------------|-------------------------|
| <u>Due Date</u> | <u>Interest Rate</u> | <u>Principal Amount</u> |
| 6/30/2025 | 3.00% | \$ 131,799 |
| 6/30/2026 | 3.00% | 135,864 |
| 6/30/2027 | 3.00% | 140,054 |
| 6/30/2028 | 3.00% | 144,267 |
| 6/30/2029 | 3.00% | 148,824 |
| 6/30/2030 | 3.00% | 153,414 |
| 6/30/2031 | 3.00% | 158,146 |
| 6/30/2032 | 3.00% | 162,968 |
| 6/30/2033 | 3.00% | 168,051 |
| 6/30/2034 | 3.00% | 173,234 |
| 6/30/2035 | 3.00% | 178,578 |
| 6/30/2036 | 3.00% | 91,349 |
| | | <u>\$ 1,786,548</u> |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 6. LONG-TERM LIABILITIES (Cont'd)

A. Loans Payable: (Cont'd)

| <u>USDA Loan</u> | | |
|------------------|----------------------|-------------------------|
| <u>Due Date</u> | <u>Interest Rate</u> | <u>Principal Amount</u> |
| 6/30/2025 | 3.75% | \$ 57,337 |
| 6/30/2026 | 3.75% | 59,525 |
| 6/30/2027 | 3.75% | 61,794 |
| 6/30/2028 | 3.75% | 64,152 |
| 6/30/2029 | 3.75% | 66,600 |
| 6/30/2030 | 3.75% | 69,141 |
| 6/30/2031 | 3.75% | 71,779 |
| 6/30/2032 | 3.75% | 74,518 |
| 6/30/2033 | 3.75% | 77,359 |
| 6/30/2034 | 3.75% | 80,313 |
| 6/30/2035 | 3.75% | 83,376 |
| 6/30/2036 | 3.75% | 86,557 |
| 6/30/2037 | 3.75% | 89,858 |
| 6/30/2038 | 3.75% | 93,286 |
| 6/30/2039 | 3.75% | 96,846 |
| 6/30/2040 | 3.75% | 100,541 |
| 6/30/2041 | 3.75% | 40,709 |
| | | <u>\$ 1,273,691</u> |

| <u>HVAC and Lighting Project</u> | |
|----------------------------------|---------------------|
| <u>Due Date</u> | <u>Amount</u> |
| 06/30/2025 | \$ 7,588 |
| 06/30/2026 | 7,588 |
| 06/30/2027 | 7,588 |
| 06/30/2028 | 5,059 |
| | <u>\$ 27,823</u> |
| Total Loans | <u>\$ 3,088,062</u> |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 6. LONG-TERM LIABILITIES (Cont'd)

A. Loans Payable: (Cont'd)

Principal and interest on the mortgage loans is as follows:

| <u>Due Date</u> | <u>Loan Principal</u> | <u>Loan Interest</u> | <u>Total</u> |
|---------------------|---------------------------|--------------------------|---------------------|
| 6/30/2025 | \$ 196,724 | \$ 99,305 | \$ 296,029 |
| 6/30/2026 | 202,977 | 93,052 | 296,029 |
| 6/30/2027 | 209,436 | 86,592 | 296,028 |
| 6/30/2028 | 213,478 | 80,022 | 293,500 |
| 6/30/2029 | 215,424 | 73,016 | 288,440 |
| 6/30/2030-6/30/2034 | 1,188,923 | 253,278 | 1,442,201 |
| 6/30/2035-6/30/2039 | 719,850 | 77,245 | 797,095 |
| 6/30/2040-6/30/2041 | 141,250 | 3,951 | 145,201 |
| | <u>\$ 3,088,062</u> | <u>\$ 766,461</u> | <u>\$ 3,854,523</u> |

B. Compensated Absences:

The Charter School's compensated absences payable of its Governmental activities will be liquidated through the General Fund. There is no current portion payable; therefore, the entire balance of \$154,191 as of June 30, 2024 is included in the long-term portion of long-term liabilities.

C. Leases Payable

The District had leases outstanding as of June 30, 2024 as follows:

| <u>Purpose</u> | <u>Frequency of Payment</u> | <u>Final Maturity Date</u> | <u>Interest Rate</u> | <u>Amount</u> |
|----------------|---------------------------------|--------------------------------|--------------------------|------------------|
| Ricoh Copiers | Monthly | 05/31/26 | 1.95% | \$ 9,312 |
| Building Lease | Monthly | 06/30/26 | 0.29% | 51,789 |
| | | | | <u>\$ 61,101</u> |

Principal and interest due on leases outstanding will be liquidated through the General Fund and are as follows:

| <u>Fiscal Year Ending June 30,</u> | <u>Governmental Activities</u> | |
|--|--------------------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2025 | \$ 30,422 | \$ 3,512 |
| 2026 | 30,679 | 4,546 |
| | <u>\$ 61,101</u> | <u>\$ 8,058</u> |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 6. LONG-TERM LIABILITIES (Cont'd)

D. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$-0- and the long-term portion is \$377,301. See Note 7 for further information on the PERS.

NOTE 7. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions

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

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

Charter School contributions to PERS amounted to \$34,815 for the current fiscal year. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$1,177 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation 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 statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

At June 30, 2024, the Charter School's liability was \$377,301 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the Charter School's proportion was 0.0023%, which was an increase of 0.0008% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized an actual pension benefit in the amount of \$33,966. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$1,177 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

There was no state proportionate share of the net pension liability attributable to the Charter School as of June 30, 2024.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferral Year | Amortization Period in Years | Deferred Outflows of Resources | Deferred Inflows of Resources |
|------------------------|------------------|------------------------------------|--------------------------------------|-------------------------------------|
| Changes in Assumptions | 2019 | 5.21 | | \$ (2,050) |
| | 2020 | 5.16 | | (18,648) |
| | 2021 | 5.13 | \$ 829 | |
| | 2022 | 5.04 | | (2,168) |
| | | | <u>829</u> | <u>(22,866)</u> |
| Changes in Proportion | 2019 | 5.21 | 15,585 | |
| | 2020 | 5.16 | | (10,301) |
| | 2021 | 5.13 | | (15,511) |
| | 2022 | 5.04 | | (206,938) |
| | 2023 | 5.08 | <u>102,304</u> | <u>(232,750)</u> |
| | | | <u>117,889</u> | |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

| | Deferral Year | Amortization Period in Years | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|------------------|------------------------------------|--------------------------------------|-------------------------------------|
| Net Difference Between Projected and Actual | 2020 | 5.00 | \$ 5,843 | |
| Investment Earnings on Pension Plan Investments | 2021 | 5.00 | (48,593) | |
| | 2022 | 5.00 | 57,814 | |
| | 2023 | 5.00 | (13,326) | |
| | | | <u>1,738</u> | |
| Difference Between Expected and Actual | 2019 | 5.21 | 156 | |
| Experience | 2020 | 5.16 | 1,039 | |
| | 2021 | 5.13 | | \$ (659) |
| | 2022 | 5.04 | | (883) |
| | 2023 | 5.08 | 2,412 | |
| | | | <u>3,607</u> | <u>(1,542)</u> |
| Charter School Contribution Subsequent to the | | | | |
| Measurement Date | 2023 | 1.00 | 30,000 | |
| | | | <u>\$ 154,063</u> | <u>\$ (257,158)</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding Charter School's contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

| <u>Fiscal Year Ending June 30,</u> | <u>Total</u> |
|--|---------------------|
| 2023 | \$ (63,498) |
| 2024 | (62,818) |
| 2025 | (28,399) |
| 2026 | 19,569 |
| 2027 | <u>2,051</u> |
| | <u>\$ (133,095)</u> |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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:

| | |
|---------------------------|--|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | 2.75 – 6.55% based on years of service |
| Investment Rate of Return | 7.00% |

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 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.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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 PERS' target asset allocation as of June 30, 2023 are summarized in the following table:

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

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

Discount Rate

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

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

| | June 30, 2023 | | |
|--|------------------------------|--|------------------------------|
| | At 1% Decrease (6.00%) | At Current Discount Rate (7.00%) | At 1% Increase (8.00%) |
| Charter School's proportionate share of the Net Pension Liability | \$ 491,166 | \$ 377,301 | \$ 280,387 |

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situations

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2024, the State of New Jersey contributed \$707,826 to the TPAF for normal pension benefits on behalf of the Charter School, which is more than the contractually required contribution of \$198,036.

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

At June 30, 2024, the State's proportionate share of the net pension liability associated with the Charter School was \$8,061,040. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the Charter School's proportion was 0.0158%, which was an increase of .0007% from its proportion measured as of June 30, 2022.

| | |
|--|---------------------|
| Charter School's Proportionate Share of the Net Pension Liability | \$ -0- |
| State's Proportionate Share of the Net Pension Liability Associated with the Charter School | <u>8,061,040</u> |
| Total | <u>\$ 8,061,040</u> |

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the Charter School in the amount of \$198,036 and the Charter School recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

| | Year of Deferral | Amortization Period in Years | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---------------------|------------------------------------|--------------------------------------|-------------------------------------|
| Changes in Assumptions | 2016 | 8.30 | \$ 391,340,712 | |
| | 2017 | 8.30 | | \$ 2,080,865,206 |
| | 2018 | 8.29 | | 1,883,063,885 |
| | 2019 | 8.04 | | 1,514,535,609 |
| | 2020 | 7.99 | 805,517,879 | |
| | 2021 | 7.93 | | 9,179,534,541 |
| | 2022 | 7.83 | 82,066,487 | |
| | 2023 | 7.93 | | |
| | | | <u>1,278,925,078</u> | <u>14,657,999,241</u> |
| Difference Between Expected and Actual Experience | 2016 | 8.30 | | 4,866,656 |
| | 2017 | 8.30 | 37,022,988 | |
| | 2018 | 8.29 | 330,339,649 | |
| | 2019 | 8.04 | | 58,842,090 |
| | 2020 | 7.99 | | 4,293,040 |
| | 2021 | 7.93 | 121,815,868 | |
| | 2022 | 7.83 | | 15,372,285 |
| | 2023 | 7.93 | 169,161,907 | |
| | | | <u>658,340,412</u> | <u>83,374,071</u> |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | 2020 | 5.00 | 241,395,539 | |
| | 2021 | 5.00 | (1,777,316,905) | |
| | 2022 | 5.00 | 2,489,500,994 | |
| | 2023 | 6.00 | (477,296,442) | |
| | | | <u>476,283,186</u> | |
| | | | <u>\$ 2,413,548,676</u> | <u>\$ 14,741,373,312</u> |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

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

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% |
| Wage | 3.25% |
| Salary Increases | 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 a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------------------|----------------------|---|
| U.S. Equity | 28.00% | 8.98% |
| Non-U.S. Developed Market 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 – TPAF

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 made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

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

| | <u>June 30, 2023</u> | | |
|---|---------------------------|-------------------------------------|---------------------------|
| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
| State's Proportionate Share of the Net Pension Liability Associated with the Charter School | \$ 9,505,429 | \$ 8,061,040 | \$ 6,965,930 |

Pension Plan Fiduciary Net Position

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$1,970 for the year ended June 30, 2024. Employee contributions to DCRP amounted to \$2,675 for the year ended June 30, 2024.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. DEFERRED COMPENSATION

The Charter School offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administered by Equitable Financial Companies, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

NOTE 9. ECONOMIC DEPENDENCY

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

NOTE 10. RISK MANAGEMENT

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

The Charter School provides employees with health benefit coverage through the State of New Jersey Health Benefits Plan.

Property and Liability Insurance

The Charter School is a member of the New Jersey Schools Insurance Group (the "Group"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation coverage for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

As a member of this Group, the Charter School could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities. The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

Summarized financial information for the Group as of June 30, 2024 was not available at the time of audit. Selected, summarized financial information for the Group as of June 30, 2023 is as follows:

| | New Jersey Schools Insurance Group (NJSIG) |
|------------------------|---|
| Total Assets | \$ 429,049,188 |
| Net Position | \$ 201,308,725 |
| Total Revenue | \$ 160,069,780 |
| Total Expenses | \$ 141,165,428 |
| Change in Net Position | \$ 18,904,352 |
| Member Dividends | \$ 2,599,938 |

Financial statements for the Group are available at the Group's Executive Director's Office:

New Jersey Schools Insurance Group
6000 Midlantic Drive
Mount Laurel, NJ 08054
Phone: (609) 386-6060
Fax: (609) 386-8877

New Jersey Unemployment Compensation Insurance

The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Charter School is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Charter School is billed quarterly for amounts due to the State. The following is a summary of the Charter School contributions, employees' contributions, reimbursements to the State for benefits paid and the ending balance of the Charter School's Unemployment Compensation Restricted Fund Balance in the General Fund for the current year and previous two years.

| Fiscal Year | Employer/ Employee Contributions | Amount Reimbursed | Ending Balance |
|-------------|--|----------------------|-------------------|
| 2023-2024 | \$ 4,816 | | \$ 12,517 |
| 2022-2023 | 21,866 | \$ 23,879 | 7,701 |
| 2021-2022 | 4,500 | | 9,714 |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

The Charter School has no interfunds reported as of June 30, 2024.

NOTE 12. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by Board resolution. Those funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping the warranties valid, but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by Board resolution to meet the required maintenance of the Charter School by transferring unassigned General Fund balance or by transferring excess unassigned General Fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the Maintenance Reserve Account and appropriated into the required maintenance account lines at budget time or any time during the year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the Maintenance Reserve Account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that Maintenance Reserve Account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of Maintenance Reserve Account funds withdrawn, shall be restored to the Maintenance Reserve Account at year-end.

At no time, shall the Maintenance Reserve Account have a balance that exceeds four percent of the replacement cost of the current year of the Charter School's facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget.

The Maintenance Reserve Account is maintained in the General Fund, and its activity is included in the General Fund annual budget. The activity of the Maintenance Reserve Account for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

| | |
|-----------------------------------|----------------------|
| Beginning Balance at July 1, 2023 | \$ 506 |
| Interest Earned | <u>1</u> |
| Ending Balance at June 30, 2024 | <u><u>\$ 507</u></u> |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 13. CONTINGENT LIABILITIES

Grant Programs

The Charter School participates in state and federally assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The Charter School is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The Charter School is periodically involved in lawsuits and estimates that any potential claims against it resulting from such litigation and not covered by insurance would not materially adversely affect the financial position of the Charter School.

Encumbrances

At June 30, 2024, there were encumbrances as detailed below in the governmental funds:

| <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Total</u> |
|---------------------|-------------------------------------|--------------|
| \$ 123,866 | \$ 74,283 | \$ 198,149 |

On the District's Governmental Funds Balance Sheet as of June 30, 2023, \$74,283 is assigned for year-end encumbrances in the Special Revenue Fund, which is \$74,283 more than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 14. CHARTER SCHOOL ESCROW

Charter Schools in the State of New Jersey are required to restrict \$75,000 of fund balance for Charter School Escrow, to be utilized in the event of dissolution of the Charter School, within 5 years of the signing of the Charter Agreement. The Charter School has \$75,235 of restricted fund balance for Charter School Escrow as of June 30, 2024.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 15. ACCOUNTS PAYABLE

Accounts payable recorded in the Charter School's financial statements as of June 30, 2024 consisted of the following:

| | <u>Governmental Funds</u> | | <u>Total Governmental Funds</u> | <u>District Contribution Subsequent to the Measurement Date</u> | <u>Total Governmental Activities</u> |
|--|---------------------------|-------------------------------------|---|---|--|
| | <u>General Fund</u> | <u>Special Revenue Fund</u> | | | |
| Vendors | \$ 10,870 | \$ 20,145 | \$ 31,015 | | \$ 31,015 |
| Payroll Deductions and Withholdings | 24,605 | | 24,605 | | 24,605 |
| State of New Jersey | | | | \$ 30,000 | 30,000 |
| | <u>\$ 35,475</u> | <u>\$ 20,145</u> | <u>\$ 55,620</u> | <u>\$ 30,000</u> | <u>\$ 85,620</u> |

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The Charter School is in a “special funding situation”, as described in GASB Codification Section P50, 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 District.

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 Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph of GASB Statement No. 75, *Accounting and Financial Reporting for the 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.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

| | |
|---|-----------------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments | 152,383 |
| Active Plan Members | <u>217,212</u> |
| Total | <u><u>369,595</u></u> |

Total Nonemployer OPEB Liability

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.

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.

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active employees are considered to participate in the Plan upon retirement.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan

Mortality Rates

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

Health Care Trend Assumptions

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%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the Charter School

| | Total OPEB Liability |
|---|-------------------------|
| Balance at June 30, 2022 | \$ 4,070,853 |
| Changes for Year: | |
| Service Cost | 352,859 |
| Interest on the Total OPEB Liability | 149,121 |
| Changes of Assumptions | 8,534 |
| Difference in Expected and Actual Experiences | (234,809) |
| Gross Benefit Payments by the State | (116,242) |
| Contributions from Members | 3,821 |
| Net Changes | <u>163,284</u> |
| Balance at June 30, 2023 | <u>\$ 4,234,137</u> |

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

The following presents the total nonemployer OPEB Liability attributable to the Charter School as of June 30, 2023, calculated using the discount 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 discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | June 30, 2023 | | |
|--|------------------------------|--------------------------------|------------------------------|
| | At 1% Decrease (2.65%) | At Discount Rate (3.65%) | At 1% Increase (4.65%) |
| Total OPEB Liability Attributable to the Charter School | \$ 4,963,799 | \$ 4,234,137 | \$ 3,648,303 |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District 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, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | June 30, 2023 | | |
|---|---------------|-----------------|--------------|
| | 1% | Healthcare | 1% |
| | Decrease | Cost Trend Rate | Increase |
| Total OPEB Liability Attributable to the Charter School | \$ 3,514,986 | \$ 4,234,137 | \$ 5,175,147 |

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

For the fiscal year ended June 30, 2024 the District recognized OPEB expense of \$292,057 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 Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District'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.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
(Cont'd)

At June 30, 2023, the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

| | Deferral Year | Period in Years | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|------------------|--------------------|--------------------------------------|-------------------------------------|
| Changes in Assumptions | 2017 | 9.54 | | \$ 152,572 |
| | 2018 | 9.51 | | 157,925 |
| | 2019 | 9.29 | \$ 23,233 | |
| | 2020 | 9.24 | 568,017 | |
| | 2021 | 9.24 | 3,233 | |
| | 2022 | 9.13 | | 857,973 |
| | 2023 | 9.30 | 7,617 | |
| | | | <u>602,100</u> | <u>1,168,470</u> |
| Differences between Expected and Actual Experience | 2018 | 9.51 | | 149,289 |
| | 2019 | 9.29 | | 273,457 |
| | 2020 | 9.24 | 529,414 | |
| | 2021 | 9.24 | | 621,727 |
| | 2022 | 9.13 | 88,359 | |
| | 2023 | 9.30 | | 70,756 |
| | | | <u>617,773</u> | <u>1,115,229</u> |
| Changes in Proportion | N/A | N/A | <u>1,085,217</u> | <u>1,053,699</u> |
| | | | <u>\$ 2,305,090</u> | <u>\$ 3,337,398</u> |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
(Cont'd)

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

| <u>Fiscal Year</u> <u>Ending June 30,</u> | <u>Total</u> |
|--|-----------------------|
| 2024 | \$ (211,153) |
| 2025 | (211,153) |
| 2026 | (183,521) |
| 2027 | (108,197) |
| 2028 | (22,147) |
| Thereafter | (327,655) |
| | <u>\$ (1,063,826)</u> |

NOTE 17. PRIOR PERIOD ADJUSTMENT

The District made a prior year adjustment in the district-wide financial statements to include a District loan for building improvements which had not been reported in the prior year.

| | <u>June 30, 2023</u> <u>Balance</u> <u>as Previously</u> <u>Reported</u> | <u>Retroactive</u> <u>Adjustments</u> | <u>June 30, 2023</u> <u>Balance</u> <u>as Restated</u> |
|---|---|--|--|
| <u>Statement of Net Position - Governmental Activities:</u> | | | |
| Noncurrent Liabilities: | | | |
| Due Within One Year | \$ 213,078 | \$ (9,480) | \$ 203,598 |
| Due Beyond One Year | 3,497,664 | 35,412 | 3,533,076 |
| Total Liabilities | 3,967,297 | 25,932 | 3,993,229 |
| Net Position: | | | |
| Net Investment in Capital Assets | 1,224,594 | (25,932) | 1,198,662 |
| Total Net Position | 2,556,301 | (25,932) | 2,530,369 |

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

| | Fiscal Year Ending June 30, | | | | |
|---|-----------------------------|---------------|---------------|---------------|---------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| District's proportion of the net pension liability | 0.0021351659% | 0.0035751847% | 0.0040373229% | 0.0041035491% | 0.0023125097% |
| District's proportionate share of the net pension liability | \$ 399,761 | \$ 802,557 | \$ 1,195,739 | \$ 955,241 | \$ 455,322 |
| District's covered employee payroll | \$ 218,376 | \$ 274,663 | \$ 279,858 | \$ 218,164 | \$ 250,566 |
| District's proportionate share of the net pension liability as a percentage of its covered employee payroll | 183.06% | 292.20% | 427.27% | 437.85% | 181.72% |
| Plan fiduciary net position as a percentage of the total pension liability | 52.08% | 47.93% | 40.14% | 48.10% | 53.60% |
| Fiscal Year Ending June 30, | | | | | |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| District's proportion of the net pension liability | 0.0040192024% | 0.0038156238% | 0.0035751847% | 0.0018406119% | 0.0026048851% |
| District's proportionate share of the net pension liability | \$ 724,199 | \$ 622,228 | \$ 431,722 | \$ 277,774 | \$ 377,301 |
| District's covered employee payroll | \$ 257,967 | \$ 267,070 | \$ 206,182 | \$ 187,427 | \$ 167,938 |
| District's proportionate share of the net pension liability as a percentage of its covered employee payroll | 280.73% | 232.98% | 209.39% | 148.20% | 224.67% |
| Plan fiduciary net position as a percentage of the total pension liability | 56.27% | 58.32% | 70.33% | 62.91% | 65.23% |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

| | Fiscal Year Ending June 30, | | | | |
|--|-----------------------------|---------------|---------------|---------------|---------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| Contractually required contribution | \$ 17,602 | \$ 30,737 | \$ 36,680 | \$ 39,744 | \$ 23,390 |
| Contributions in relation to the contractually required contribution | (17,602) | (30,737) | (36,680) | (39,744) | (23,390) |
| Contribution deficiency/(excess) | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |
| District's covered employee payroll | \$ 274,663 | \$ 279,858 | \$ 218,164 | \$ 250,566 | \$ 257,967 |
| Contributions as a percentage of covered employee payroll | 6.41% | 10.98% | 16.81% | 15.86% | 9.07% |

| | Fiscal Year Ending June 30, | | | | |
|--|-----------------------------|---------------|---------------|---------------|---------------|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| Contractually required contribution | \$ 39,628 | \$ 41,926 | \$ 42,679 | \$ 23,211 | \$ 34,815 |
| Contributions in relation to the contractually required contribution | (39,628) | (41,926) | (42,679) | (23,211) | (34,815) |
| Contribution deficiency/(excess) | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |
| District's covered employee payroll | \$ 267,070 | \$ 206,182 | \$ 187,427 | \$ 167,938 | \$ 179,256 |
| Contributions as a percentage of covered employee payroll | 14.84% | 20.33% | 22.77% | 13.82% | 19.42% |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

| | Fiscal Year Ending June 30, | | | | |
|---|-----------------------------|---------------|---------------|---------------|---------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| State's proportion of the net pension liability attributable to the District | 0.0124497203% | 0.0143347676% | 0.0140700521% | 0.0149598346% | 0.0147304432% |
| State's proportionate share of the net pension liability attributable to the District | \$ 6,653,970 | \$ 9,060,185 | \$ 11,068,399 | \$ 10,086,406 | \$ 9,371,192 |
| District's covered employee payroll | \$ 1,414,129 | \$ 1,553,147 | \$ 1,527,396 | \$ 1,553,349 | \$ 1,700,648 |
| State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll | 470.53% | 583.34% | 724.66% | 649.33% | 551.04% |
| Plan fiduciary net position as a percentage of the total pension liability | 33.64% | 28.71% | 22.23% | 25.41% | 26.49% |

| | Fiscal Year Ending June 30, | | | |
|---|-----------------------------|---------------|---------------|---------------|
| | 2020 | 2021 | 2022 | 2023 |
| State's proportion of the net pension liability attributable to the District | 0.0162118162% | 0.0161135415% | 0.0150695627% | 0.0151069079% |
| State's proportionate share of the net pension liability attributable to the District | \$ 9,949,345 | \$ 10,610,573 | \$ 7,244,721 | \$ 7,794,321 |
| District's covered employee payroll | \$ 1,669,187 | \$ 1,687,887 | \$ 1,730,360 | \$ 1,922,165 |
| State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll | 596.06% | 628.63% | 418.68% | 405.50% |
| Plan fiduciary net position as a percentage of the total pension liability | 26.95% | 24.60% | 35.52% | 32.29% |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

| | Fiscal Year Ending June 30, | | | | |
|--|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| Contractually required contribution | \$ 358,046 | \$ 553,205 | \$ 831,637 | \$ 698,739 | \$ 546,308 |
| Contributions in relation to the contractually required contribution | (77,499) | (112,651) | (162,385) | (216,928) | (318,848) |
| Contribution deficiency/(excess) | <u>\$ 280,547</u> | <u>\$ 440,554</u> | <u>\$ 669,252</u> | <u>\$ 481,811</u> | <u>\$ 227,460</u> |
| District's covered employee payroll | \$ 1,553,147 | \$ 1,527,396 | \$ 1,553,349 | \$ 1,700,648 | \$ 1,669,187 |
| Contributions as a percentage of covered employee payroll | 4.99% | 7.38% | 10.45% | 12.76% | 19.10% |

| | Fiscal Year Ending June 30, | | | | |
|--|-----------------------------|--------------|--------------|--------------|--------------|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| Contractually required contribution | \$ 586,839 | \$ 659,811 | \$ 441,615 | \$ 209,767 | \$ 198,036 |
| Contributions in relation to the contractually required contribution | (353,432) | (438,053) | (621,899) | (645,744) | (707,826) |
| Contribution deficiency/(excess) | \$ 233,407 | \$ 221,758 | \$ (180,284) | \$ (435,977) | \$ (509,790) |
| District's covered employee payroll | \$ 1,687,887 | \$ 1,730,360 | \$ 1,922,165 | \$ 1,944,592 | \$ 2,009,572 |
| Contributions as a percentage of covered employee payroll | 20.94% | 25.32% | 32.35% | 33.21% | 35.22% |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

| | Fiscal Year Ending June 30, | | | | | | |
|--|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Total OPEB Liability | | | | | | | |
| Service Cost | \$ 427,737 | \$ 355,619 | \$ 233,290 | \$ 309,732 | \$ 548,091 | \$ 440,664 | \$ 352,859 |
| Interest Cost | 142,904 | 170,086 | 113,918 | 112,656 | 141,845 | 107,882 | 149,121 |
| Changes of Benefit Terms | | | | | (5,820) | | |
| Changes in Assumptions | (676,670) | (316,034) | 44,133 | 1,112,175 | 5,395 | (1,092,043) | 8,534 |
| Differences between Expected & Actual Experiences | | (1,815,214) | (97,184) | 1,696,827 | (1,202,001) | (750,201) | (234,809) |
| Member Contributions | 3,779 | 2,545 | 2,693 | 3,213 | 3,626 | 3,428 | 3,821 |
| Gross Benefit Payments | (102,623) | (73,641) | (90,862) | (105,997) | (111,734) | (106,860) | (116,242) |
| Net Change in Total OPEB Liability | (204,873) | (1,676,639) | 205,988 | 3,128,606 | (620,598) | (1,397,130) | 163,284 |
| Total OPEB Liability - Beginning | 4,635,499 | 4,430,626 | 2,753,987 | 2,959,975 | 6,088,581 | 5,467,983 | 4,070,853 |
| Total OPEB Liability - Ending | <u>\$ 4,430,626</u> | <u>\$ 2,753,987</u> | <u>\$ 2,959,975</u> | <u>\$ 6,088,581</u> | <u>\$ 5,467,983</u> | <u>\$ 4,070,853</u> | <u>\$ 4,234,137</u> |
| District's Covered Employee Payroll * | \$ 1,807,254 | \$ 1,771,513 | \$ 1,951,214 | \$ 1,927,154 | \$ 1,954,957 | \$ 1,936,542 | \$ 2,109,592 |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 245% | 155% | 152% | 316% | 280% | 210% | 201% |

* - Covered payroll for the fiscal years ending June 30, 2017 - 2023 are based on the payroll on the June 30, 2016 - 2022 census data.

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial 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.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial 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.

BUDGETARY COMPARISON SCHEDULES

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|------------------|------------------|-----------------------------|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 4,181,756 | \$ (730,601) | \$ 3,451,155 | \$ 3,451,155 | |
| Restricted Miscellaneous | | | | 4,816 | \$ 4,816 |
| Unrestricted Miscellaneous | | | | 30,607 | 30,607 |
| Total - Local Sources | 4,181,756 | (730,601) | 3,451,155 | 3,486,578 | 35,423 |
| State Sources: | | | | | |
| Equalization Aid - Charter School State Aid | 192,074 | 612,632 | 804,706 | 804,706 | |
| Special Education Aid - Charter School Aid | 34,505 | 189,302 | 223,807 | 223,807 | |
| Security Aid | 60,750 | (23,476) | 37,274 | 37,274 | |
| On-Behalf TPAF Post Retirement Contributions (Non-Budgeted) | | | | 194,842 | 194,842 |
| On-Behalf TPAF Pension Contributions (Non-Budgeted) | | | | 707,826 | 707,826 |
| On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted) | | | | 8,072 | 8,072 |
| On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted) | | | | 435 | 435 |
| Reimbursed TPAF Social Security Contributions (Non-Budgeted) | | | | 144,117 | 144,117 |
| Total State Sources | 287,329 | 778,458 | 1,065,787 | 2,121,079 | 1,055,292 |
| TOTAL REVENUES | 4,469,085 | 47,857 | 4,516,942 | 5,607,657 | 1,090,715 |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|--------------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Regular Programs - Instruction: | | | | | |
| Grades 6-8 - Salaries of Teachers | \$ 1,386,657 | \$ 25,000 | \$ 1,411,657 | \$ 1,409,873 | \$ 1,784 |
| Other Salaries for Instruction | 174,983 | 7,501 | 182,484 | 158,811 | 23,673 |
| General Supplies | 58,384 | (1,060) | 57,324 | 44,719 | 12,605 |
| Textbooks | 5,200 | 640 | 5,840 | 5,840 | |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 4,000 | 2,500 | 6,500 | 6,300 | 200 |
| Purchased Professional/Technical Services | 58,784 | (2,500) | 56,284 | 43,529 | 12,755 |
| General Supplies | 5,000 | | 5,000 | 4,955 | 45 |
| Total Regular Programs - Instruction | 1,693,008 | 32,081 | 1,725,089 | 1,674,027 | 51,062 |
| Special Education - Instruction: | | | | | |
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 77,600 | | 77,600 | 77,596 | 4 |
| Total Resource Room/Resource Center | 77,600 | | 77,600 | 77,596 | 4 |
| Total Special Education Instruction | 77,600 | | 77,600 | 77,596 | 4 |
| Vocational Programs - Local: | | | | | |
| General Supplies | 15,417 | 420 | 15,837 | 14,790 | 1,047 |
| Total Vocational Programs - Local | 15,417 | 420 | 15,837 | 14,790 | 1,047 |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|-----------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| School-Sponsored Co-curricular Activities - Instruction: | | | | | |
| Salaries | \$ 64,900 | | \$ 64,900 | \$ 44,255 | \$ 20,645 |
| Other Objects | 3,500 | | 3,500 | | 3,500 |
| Total School-Sponsored Co-curricular Activities - Instruction | 68,400 | | 68,400 | 44,255 | 24,145 |
| School-Sponsored Co-curricular Athletics - Instruction: | | | | | |
| Salaries | 9,600 | \$ 2,600 | 12,200 | 12,200 | |
| Other Objects | 400 | 4,446 | 4,846 | 4,846 | |
| Total School-Sponsored Co-curricular Athletics - Instruction | 10,000 | 7,046 | 17,046 | 17,046 | |
| Other Instructional Programs - Summer School: | | | | | |
| Salaries | 3,500 | | 3,500 | 250 | 3,250 |
| Total Other Instructional Programs - Summer School | 3,500 | | 3,500 | 250 | 3,250 |
| Total Instruction | 1,867,925 | 39,547 | 1,907,472 | 1,827,964 | 79,508 |
| Undistributed Expenditures: | | | | | |
| Health Services: | | | | | |
| Salaries | 63,463 | (105) | 63,358 | 61,463 | 1,895 |
| Purchased Professional/Technical Services | 1,000 | | 1,000 | | 1,000 |
| Supplies and Materials | 4,466 | (1,662) | 2,804 | 1,387 | 1,417 |
| Total Health Services | 68,929 | (1,767) | 67,162 | 62,850 | 4,312 |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|-----------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Guidance: | | | | | |
| Salaries of Other Professional Staff | \$ 74,320 | | \$ 74,320 | \$ 74,320 | |
| Total Guidance | 74,320 | | 74,320 | 74,320 | |
| Child Study Teams: | | | | | |
| Salaries of Other Professional Staff | 91,397 | | 91,397 | 91,187 | \$ 210 |
| Other Purchased Professional/Technical Services | 12,500 | \$ 5,575 | 18,075 | 14,653 | 3,422 |
| Supplies and Materials | 1,000 | | 1,000 | 164 | 836 |
| Other Objects | 250 | | 250 | 230 | 20 |
| Total Child Study Teams | 105,147 | 5,575 | 110,722 | 106,234 | 4,488 |
| Improvement of Instructional Services: | | | | | |
| Salaries of Supervisor of Instruction | 97,568 | 4,019 | 101,587 | 101,587 | |
| Salaries of Other Professional Staff | 12,000 | | 12,000 | 12,000 | |
| Other Purchased Professional/Educational Services | 42,086 | (575) | 41,511 | 26,671 | 14,840 |
| Total Improvement of Instructional Services | 151,654 | 3,444 | 155,098 | 140,258 | 14,840 |
| Instructional Staff Training Services: | | | | | |
| Purchased Professional/Technical Services | 17,000 | 55,869 | 72,869 | 8,163 | 64,706 |
| Travel | 5,000 | | 5,000 | 866 | 4,134 |
| Total Instructional Staff Training Services | 22,000 | 55,869 | 77,869 | 9,029 | 68,840 |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|------------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Support Services - General Administration: | | | | | |
| Salaries | \$ 158,472 | \$ 8,767 | \$ 167,239 | \$ 167,238 | \$ 1 |
| Salaries of Secretarial and Clerical Assistants | 2,516 | | 2,516 | 2,516 | |
| Legal Services | 20,000 | 5,565 | 25,565 | 17,164 | 8,401 |
| Audit Fees | 28,160 | (2,160) | 26,000 | 26,000 | |
| Other Purchased Professional Services | 10,000 | (8,425) | 1,575 | 600 | 975 |
| Other Purchased Services (400-500 series) | 58,800 | 10,383 | 69,183 | 55,621 | 13,562 |
| BOE Membership Dues and Fees | 12,000 | (2,275) | 9,725 | 6,425 | 3,300 |
| Total Support Services - General Administration | 289,948 | 11,855 | 301,803 | 275,564 | 26,239 |
| Support Services - School Administration: | | | | | |
| Salaries of Secretarial and Clerical Assistants | 80,850 | (2,299) | 78,551 | 72,737 | 5,814 |
| Travel | 3,000 | (2,431) | 569 | 569 | |
| Supplies and Materials | 6,325 | 183 | 6,508 | 6,326 | 182 |
| Miscellaneous Expenditures | 3,000 | 3,604 | 6,604 | 5,714 | 890 |
| Total Support Services - School Administration | 93,175 | (943) | 92,232 | 85,346 | 6,886 |
| Central Services: | | | | | |
| Salaries | 115,580 | 47,164 | 162,744 | 162,744 | |
| Purchased Technical Services | 43,595 | (378) | 43,217 | 32,126 | 11,091 |
| Supplies and Materials | 3,500 | (1,314) | 2,186 | 2,053 | 133 |
| Miscellaneous Expenditures | 3,000 | 29 | 3,029 | 304 | 2,725 |
| Total Central Services | 165,675 | 45,501 | 211,176 | 197,227 | 13,949 |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|-----------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Administrative Information Technology: | | | | | |
| Salaries | \$ 24,147 | | \$ 24,147 | \$ 24,147 | |
| Purchased Professional/Technical Services | 8,000 | 7,872 | 15,872 | 12,752 | \$ 3,120 |
| Supplies and Materials | 25,407 | (5,280) | 20,127 | 15,846 | 4,281 |
| Total Administrative Information Technology | 57,554 | 2,592 | 60,146 | 52,745 | 7,401 |
| Required Maintenance of School Facilities: | | | | | |
| Salaries | 61,269 | | 61,269 | 57,509 | 3,760 |
| Cleaning, Repair and Maintenance Services | 18,000 | (849) | 17,151 | 11,486 | 5,665 |
| General Supplies | 18,000 | (7,607) | 10,393 | 9,299 | 1,094 |
| Total Required Maintenance of School Facilities | 97,269 | (8,456) | 88,813 | 78,294 | 10,519 |
| Custodial Services: | | | | | |
| Salaries | 40,725 | | 40,725 | 35,939 | 4,786 |
| Cleaning, Repair and Maintenance Services | 115,247 | 55,757 | 171,004 | 137,825 | 33,179 |
| Rental of Land or Building | 29,878 | 376 | 30,254 | 27,911 | 2,343 |
| Insurance | 28,500 | (1,150) | 27,350 | 26,379 | 971 |
| General Supplies | 13,472 | (78) | 13,394 | 1,027 | 12,367 |
| Energy (Natural Gas) | 17,500 | 79 | 17,579 | 10,687 | 6,892 |
| Energy (Electricity) | 38,000 | | 38,000 | 24,045 | 13,955 |
| Other Objects | 3,000 | 2,370 | 5,370 | 4,662 | 708 |
| Total Custodial Services | 286,322 | 57,354 | 343,676 | 268,475 | 75,201 |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|-----------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Care and Upkeep of Grounds: | | | | | |
| Purchased Professional/Technical Services | \$ 77,777 | | \$ 77,777 | \$ 51,471 | \$ 26,306 |
| Total Care and Upkeep of Grounds | 77,777 | | 77,777 | 51,471 | 26,306 |
| Security: | | | | | |
| General Supplies | 11,864 | \$ 1,653 | 13,517 | 12,688 | 829 |
| Total Security | 11,864 | 1,653 | 13,517 | 12,688 | 829 |
| Student Transportation Services: | | | | | |
| Contracted Services - Between Home and School - Joint Agreements | 5,000 | (569) | 4,431 | 2,597 | 1,834 |
| Total Student Transportation Services | 5,000 | (569) | 4,431 | 2,597 | 1,834 |
| Unallocated Benefits: | | | | | |
| Other Retirement Contributions - PERS | 35,000 | | 35,000 | 34,815 | 185 |
| Social Security Contributions | 55,000 | (2,572) | 52,428 | 51,875 | 553 |
| Unemployment Compensation | 58,428 | 1,785 | 60,213 | 52,710 | 7,503 |
| Workmen's Compensation | 20,000 | 8,028 | 28,028 | 26,803 | 1,225 |
| Health Benefits | 760,000 | (12,700) | 747,300 | 646,771 | 100,529 |
| Tuition Reimbursement | 12,000 | 14,549 | 26,549 | 26,549 | |
| Other Employee Benefits | 30,000 | (19,573) | 10,427 | 733 | 9,694 |
| Total Unallocated Benefits | 970,428 | (10,483) | 959,945 | 840,256 | 119,689 |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|------------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| On-Behalf Contributions: | | | | | |
| On-Behalf TPAF Post Retirement Contributions (Non-Budgeted) | | | | \$ 194,842 | \$ (194,842) |
| On-Behalf TPAF Pension Contributions (Non-Budgeted) | | | | 707,826 | (707,826) |
| On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted) | | | | 8,072 | (8,072) |
| On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted) | | | | 435 | (435) |
| Reimbursed TPAF Social Security Contributions (Non-Budgeted) | | | | 144,117 | (144,117) |
| Total On-Behalf Contributions | | | | 1,055,292 | (1,055,292) |
| Total Personal Services - Employee Benefits | \$ 970,428 | \$ (10,483) | \$ 959,945 | 1,895,548 | (935,603) |
| Total Undistributed Expenses | 2,477,062 | 161,625 | 2,638,687 | 3,312,646 | (673,959) |
| TOTAL CURRENT EXPENSE | 4,344,987 | 201,172 | 4,546,159 | 5,140,610 | (594,451) |
| TOTAL EXPENDITURES | 4,344,987 | 201,172 | 4,546,159 | 5,140,610 | (594,451) |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | 124,098 | (153,315) | (29,217) | 467,047 | 496,264 |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| Other Financing (Uses): | | | | | |
| Transfer to Debt Service Fund | \$ (296,034) | | \$ (297,469) | \$ (296,028) | \$ 1,441 |
| Total Other Financing (Uses) | (296,034) | | (297,469) | (296,028) | 1,441 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses | (171,936) | \$ (153,315) | (326,686) | 171,019 | 497,705 |
| Fund Balance, July 1 | 1,989,211 | | 1,989,211 | 1,989,211 | |
| Fund Balance, June 30 | <u>\$ 1,817,275</u> | <u>\$ (153,315)</u> | <u>\$ 1,662,525</u> | <u>\$ 2,160,230</u> | <u>\$ 497,705</u> |
| Recapitulation: | | | | | |
| Restricted for: | | | | | |
| Maintenance Reserve | | | | \$ 507 | |
| Charter School Escrow | | | | 75,235 | |
| Unemployment Compensation | | | | 12,517 | |
| Assigned to: | | | | | |
| Year-end Encumbrances | | | | 123,866 | |
| Unassigned | | | | 1,948,105 | |
| Fund Balance per Governmental Funds Budgetary/(GAAP) Basis | | | | <u>\$ 2,160,230</u> | |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| REVENUES: | | | | | |
| Local Sources | | \$ 65,074 | \$ 65,074 | \$ 65,074 | |
| State Sources | | 154,061 | 154,061 | 87,092 | \$ (66,969) |
| Federal Sources | \$ 89,944 | 227,657 | 317,601 | 317,411 | (190) |
| Total Revenues | 89,944 | 446,792 | 536,736 | 469,577 | (67,159) |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | | 63,515 | 63,515 | 63,515 | |
| Other Purchased Services | 16,000 | (16,000) | | | |
| General Supplies | 21,944 | 18,889 | 40,833 | 40,833 | |
| Other Objects | | 3,800 | 3,800 | 3,800 | |
| Total Instruction | 37,944 | 70,204 | 108,148 | 108,148 | |
| Support Services: | | | | | |
| Personal Services - Employee Benefits | | 21,484 | 21,484 | 21,484 | |
| Purchased Professional and Technical Services | 7,000 | (5,560) | 1,440 | 1,250 | 190 |
| Purchased Professional and Educational Services | 45,000 | 26,264 | 71,264 | 71,264 | |
| Supplies and Materials | | 18,085 | 18,085 | 18,085 | |
| Student Activities | | 65,074 | 65,074 | 50,082 | 14,992 |
| Total Support Services | 52,000 | 125,347 | 177,347 | 162,165 | 15,182 |
| Facilities Acquisition and Construction Services: | | | | | |
| Instructional Equipment | | 19,100 | 19,100 | 19,100 | |
| Non-Instructional Equipment | | 79,630 | 79,630 | 78,080 | 1,550 |
| Buildings | | 152,511 | 152,511 | 87,092 | 65,419 |
| Total Facilities Acquisition and Construction Services | | 251,241 | 251,241 | 184,272 | 66,969 |
| Total Expenditures | \$ 89,944 | \$ 446,792 | \$ 536,736 | \$ 454,585 | 82,151 |
| Deficit of Revenue Under Expenditures | \$ -0- | \$ -0- | \$ -0- | \$ 14,992 | \$ 14,992 |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

| | General Fund | Special Revenue Fund |
|---|---------------------|----------------------------|
| Sources/Inflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule | \$ 5,607,657 | \$ 469,577 |
| Differences - Budget to GAAP: | | |
| Grant Accounting Budgetary Basis Differs from GAAP in that Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not: | | |
| Prior Year Encumbrances | | 37,108 |
| Current Year Encumbrances | | (74,283) |
| Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | <u>\$ 5,607,657</u> | <u>\$ 432,402</u> |
| Uses/Outflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule | \$ 5,140,610 | \$ 454,585 |
| 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: | | |
| Prior Year Encumbrances | | 37,108 |
| Current Year Encumbrances | | (74,283) |
| Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds | <u>\$ 5,140,610</u> | <u>\$ 417,410</u> |

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year end.

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Elementary and Secondary Education Act | | I.D.E.A. Part B, Basic | | REAP |
|--|--|-----------|---------------------------|-----------|-----------|
| | Title I | Title IIA | Title IV | | |
| REVENUES: | | | | | |
| Local Sources | | | | | |
| State Sources | | | | | |
| Federal Sources | | | | | |
| Total Revenues | \$ 27,592 | \$ 4,737 | \$ 10,000 | \$ 64,493 | \$ 21,944 |
| | 27,592 | 4,737 | 10,000 | 64,493 | 21,944 |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | 13,882 | | | | 21,944 |
| General Supplies | 4,826 | | 5,200 | | |
| Other Objects | | | 3,800 | | |
| Total Instruction | 18,708 | | 9,000 | | 21,944 |
| Support Services: | | | | | |
| Personal Services - Employee Benefits | 8,884 | | | | |
| Purchased Professional and Technical Services | | | | | |
| Purchased Professional and Educational Services | | 4,737 | | 64,493 | |
| Supplies and Materials | | | 1,000 | | |
| Student Activities | | | | | |
| Total Support Services | 8,884 | 4,737 | 1,000 | 64,493 | |
| Facilities Acquisition and Construction Services: | | | | | |
| Instructional Equipment | | | | | |
| Non-Instructional Equipment | | | | | |
| Buildings | | | | | |
| Total Facilities Acquisition and Construction Services | | | | | |
| Total Expenditures | \$ 27,592 | \$ 4,737 | \$ 10,000 | \$ 64,493 | \$ 21,944 |

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SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Education Stabilization Aid ARP Mental Health | Preschool and Charter Security | School Development Authority Emergent Program | Student Activities Fund | Totals |
|--|--|-----------------------------------|---|-------------------------------|------------|
| REVENUES: | | | | | |
| Local Sources | | | | \$ 65,074 | \$ 65,074 |
| State Sources | | \$ 17,175 | \$ 69,917 | | 87,092 |
| Federal Sources | \$ 34,661 | | | | 317,411 |
| Total Revenues | 34,661 | 17,175 | 69,917 | 65,074 | 469,577 |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | 20,811 | | | | 63,515 |
| General Supplies | | | | | 40,833 |
| Other Objects | | | | | 3,800 |
| Total Instruction | 20,811 | | | | 108,148 |
| Support Services: | | | | | |
| Personal Services - Employee Benefits | 12,600 | | | | 21,484 |
| Purchased Professional and Technical Services | 1,250 | | | | 1,250 |
| Purchased Professional and Educational Services | | | | | 71,264 |
| Supplies and Materials | | | | 50,082 | 18,085 |
| Student Activities | | | | | 50,082 |
| Total Support Services | 13,850 | | | 50,082 | 162,165 |
| Facilities Acquisition and Construction Services: | | | | | |
| Instructional Equipment | | | | | 19,100 |
| Non-Instructional Equipment | | 17,175 | 69,917 | | 78,080 |
| Buildings | | | | | 87,092 |
| Total Facilities Acquisition and Construction Services | | 17,175 | 69,917 | | 184,272 |
| Total Expenditures | \$ 34,661 | \$ 17,175 | \$ 69,917 | \$ 50,082 | \$ 454,585 |

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS
(NOT APPLICABLE)

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
LONG-TERM LIABILITIES
SCHEDULE OF LOANS PAYABLE

| Type | Date of Issue | Original Issue | Maturities of Loans | | | | Interest Rate | Restated Balance June 30, 2023 | Issued | Matured | Balance June 30, 2024 |
|---|------------------|-------------------|---------------------|---------------|---------|-------------|------------------|--------------------------------------|--------|---------|--------------------------|
| | | | Date | June 30, 2024 | Amount | Outstanding | | | | | |
| Purchase of a Building for the Charter School - USDA Loan | 12/27/10 | \$ 1,870,000 | 06/30/25 | \$ | 57,337 | | 3.75% | | | | |
| | | | 06/30/26 | | 59,525 | | 3.75% | | | | |
| | | | 06/30/27 | | 61,794 | | 3.75% | | | | |
| | | | 06/30/28 | | 64,152 | | 3.75% | | | | |
| | | | 06/30/29 | | 66,600 | | 3.75% | | | | |
| | | | 06/30/30 | | 69,141 | | 3.75% | | | | |
| | | | 06/30/31 | | 71,779 | | 3.75% | | | | |
| | | | 06/30/32 | | 74,518 | | 3.75% | | | | |
| | | | 06/30/33 | | 77,359 | | 3.75% | | | | |
| | | | 06/30/34 | | 80,313 | | 3.75% | | | | |
| | | | 06/30/35 | | 83,376 | | 3.75% | | | | |
| | | | 06/30/36 | | 86,557 | | 3.75% | | | | |
| | | | 06/30/37 | | 89,858 | | 3.75% | | | | |
| | | | 06/30/38 | | 93,286 | | 3.75% | | | | |
| | | | 06/30/39 | | 96,846 | | 3.75% | | | | |
| | | | 06/30/40 | | 100,541 | | 3.75% | | | | |
| | | | 06/30/41 | | 40,709 | | 3.75% | \$ 1,328,920 | \$ | 55,229 | \$ 1,273,691 |
| Purchase of a Building for the Charter School - Bank Loan | 12/27/10 | 3,000,000 | 06/30/25 | | 131,799 | | 3.00% | | | | |
| | | | 06/30/26 | | 135,864 | | 3.00% | | | | |
| | | | 06/30/27 | | 140,054 | | 3.00% | | | | |
| | | | 06/30/28 | | 144,267 | | 3.00% | | | | |
| | | | 06/30/29 | | 148,824 | | 3.00% | | | | |
| | | | 06/30/30 | | 153,414 | | 3.00% | | | | |
| | | | 06/30/31 | | 158,146 | | 3.00% | | | | |
| | | | 06/30/32 | | 162,968 | | 3.00% | | | | |
| | | | 06/30/33 | | 168,051 | | 3.00% | | | | |
| | | | 06/30/34 | | 173,234 | | 3.00% | | | | |
| | | | 06/30/35 | | 178,578 | | 3.00% | | | | |
| | | | 06/30/36 | | 91,349 | | 3.00% | 1,914,254 | | 127,706 | 1,786,548 |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
LONG-TERM LIABILITIES
SCHEDULE OF LOANS PAYABLE

| Type | Date of Issue | Original Issue | Maturities of Loans | | | Interest Rate | Restated Balance June 30, 2023 | Issued | Matured | Balance June 30, 2024 |
|--|------------------|-------------------|---------------------|------------------------------|--------|------------------|--------------------------------------|----------|------------|--------------------------|
| | | | Date | Outstanding June 30, 2024 | Amount | | | | | |
| HVAC and Lighting Project - National Energy Improvement Fund | 02/01/23 | \$ 37,940 | 06/30/2025 | \$ 7,588 | | 0.00% | | | | |
| | | | 06/30/2026 | 7,588 | | 0.00% | | | | |
| | | | 06/30/2027 | 7,588 | | 0.00% | | | | |
| | | | 06/30/2028 | 5,059 | | 0.00% | \$ 35,411 | | \$ 7,588 | \$ 27,823 |
| | | | | | | | \$ 3,278,585 | \$ - 0 - | \$ 190,523 | \$ 3,088,062 |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES

| <u>Purpose</u> | <u>Interest Rate</u> | <u>Original Issue</u> | <u>Balance July 1, 2023</u> | <u>Issued</u> | <u>Matured</u> | <u>Balance June 30, 2024</u> |
|---------------------------------|--------------------------|---------------------------|---------------------------------|---------------|------------------|----------------------------------|
| Ricoh Copier Lease | 10.00% | \$23,582 | \$ 14,034 | | \$ 4,722 | \$ 9,312 |
| 16 Roosevelt Dr. Building Lease | 3.50% | 127,014 | <u>77,210</u> | <u></u> | <u>25,421</u> | <u>51,789</u> |
| | | | <u>\$ 91,244</u> | <u>\$ -0-</u> | <u>\$ 30,143</u> | <u>\$ 61,101</u> |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED
INFORMATION TECHNOLOGY ARRANGEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOT APPLICABLE

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|------------|-----------------------------|
| EXPENDITURES: | | | | | |
| Regular Debt Service: | | | | | |
| Interest | \$ 105,511 | | \$ 105,511 | \$ 105,505 | \$ 6 |
| Redemption of Principal | 190,523 | | 190,523 | 190,523 | |
| Total Regular Debt Service | 296,034 | | 296,034 | 296,028 | 6 |
| Total Expenditures | 296,034 | | 296,034 | 296,028 | 6 |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | (296,034) | | (296,034) | (296,028) | (6) |
| Other Financing Sources: | | | | | |
| Transfer from General Fund | 296,034 | | 296,034 | 296,028 | 6 |
| Total Other Financing Sources | 296,034 | | 296,034 | 296,028 | 6 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures | - 0 - | - 0 - | - 0 - | - 0 - | - 0 - |
| Fund Balance, July 1 | - 0 - | - 0 - | - 0 - | - 0 - | - 0 - |
| Fund Balance, June 30 | \$ - 0 - | \$ - 0 - | \$ - 0 - | \$ - 0 - | \$ - 0 - |

STATISTICAL SECTION
(UNAUDITED)

This part of the Charter School's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Charter School's overall financial health.

Contents

| | <u>Exhibit</u> |
|--|-----------------------|
| Financial Trends | |
| These schedules contain trend information to help the reader understand how the School's financial performance and well-being have changed over time. | J-1 thru J-5 |
| Revenue Capacity | |
| These schedules contain information to help the reader assess the factors affecting the School's ability to generate its property taxes. | J-6 thru J-9 |
| Debt Capacity | |
| These schedules present information to help the reader assess the affordability of the School's current levels of outstanding debt and the School's ability to issue additional debt in the future. | J-10 thru J-13 |
| Demographic and Economic Information | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place and to help make comparisons over time and with other governments. | J-14 thru J-15 |
| Operating Information | |
| These schedules contain information about the School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs. | J-16 thru J-21 |

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(UNAUDITED)

(Accrual Basis of Accounting)

June 30,

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Restated 2023 | 2024 |
|----------------------------------|--------------|--------------|--------------|------------|------------|--------------|--------------|--------------|------------------|--------------|
| Governmental Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 1,277,157 | \$ 1,312,594 | \$ 1,164,808 | \$ 930,812 | \$ 983,723 | \$ 1,057,619 | \$ 1,098,915 | \$ 1,146,626 | \$ 1,198,662 | \$ 1,394,181 |
| Restricted | 145,494 | 75,503 | 75,521 | 75,530 | 75,544 | 99,819 | 97,091 | 94,427 | 94,178 | 113,994 |
| Unrestricted/(Deficit) | (110,896) | (89,116) | (482,807) | (492,275) | (454,303) | (110,866) | 351,304 | 883,699 | 1,237,529 | 1,407,385 |
| Total Governmental | | | | | | | | | | |
| Activities Net Position | \$ 1,311,755 | \$ 1,298,981 | \$ 757,522 | \$ 514,067 | \$ 604,964 | \$ 1,046,572 | \$ 1,547,310 | \$ 2,124,752 | \$ 2,530,369 | \$ 2,915,560 |

Source: Sussex County Charter School for Technology Financial Reports.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Expenses: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 2,151,111 | \$ 2,581,125 | \$ 3,100,754 | \$ 3,453,606 | \$ 3,105,757 | \$ 2,950,878 | \$ 2,830,854 | \$ 2,778,393 | \$ 2,746,771 | \$ 2,849,922 |
| Special Education | 205,211 | 224,235 | 52,335 | 189,554 | 182,514 | 185,942 | 138,092 | 123,991 | 126,654 | 127,886 |
| Other Instruction | 75,557 | 89,866 | 123,651 | 153,499 | 132,454 | 116,643 | 154,955 | 189,949 | 121,681 | 113,092 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 408,086 | 374,436 | 358,024 | 271,454 | 337,639 | 313,822 | 539,172 | 664,850 | 616,970 | 646,679 |
| General Administration Services | 217,615 | 412,263 | 465,246 | 449,344 | 380,847 | 304,514 | 314,058 | 314,601 | 298,895 | 329,894 |
| School Administration Services | 138,034 | 131,650 | 138,599 | 155,674 | 150,839 | 132,375 | 135,708 | 69,700 | 95,734 | 173,838 |
| Central Services | 152,203 | 187,954 | 219,783 | 149,420 | 143,879 | 156,385 | 381,177 | 220,004 | 204,840 | 244,752 |
| Administrative Information Technology | | | | 27,102 | 35,878 | 42,475 | 15,540 | 57,987 | 60,987 | 59,797 |
| Plant Operations And Maintenance | 239,406 | 232,252 | 504,490 | 337,460 | 277,156 | 267,479 | 140,320 | 351,139 | 403,863 | 472,723 |
| Pupil Transportation | 6,665 | 7,403 | 6,447 | 11,290 | 10,092 | 1,927 | 42,095 | 1,220 | 2,733 | 2,597 |
| Capital Outlay | 39,736 | 24,395 | 3,827 | | | | | 12,900 | 37,370 | |
| Unallocated Depreciation | | | | | | 111,361 | 110,021 | 110,860 | 96,939 | 107,537 |
| Interest on Long-Term Debt | 225,921 | 208,788 | 182,551 | 165,683 | 160,284 | 158,188 | 136,351 | 116,871 | 120,685 | 105,505 |
| Total Governmental Activities Expenses | 3,859,545 | 4,474,367 | 5,155,707 | 5,364,086 | 4,917,339 | 4,741,989 | 4,938,343 | 5,012,465 | 4,934,122 | 5,234,222 |
| Total Charter School-Wide Expenses | 3,859,545 | 4,474,367 | 5,155,707 | 5,364,086 | 4,917,339 | 4,741,989 | 4,938,343 | 5,012,465 | 4,934,122 | 5,234,222 |
| Program Revenues: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Student & Instruction Related Services | | | | | | | 6,425 | 20,078 | 34,145 | 65,074 |
| Operating Grants and Contributions | 707,551 | 460,549 | 524,801 | 973,927 | 399,431 | 330,645 | 354,649 | 991,797 | 801,480 | 857,857 |
| Total Governmental Activities Program Revenues | 707,551 | 460,549 | 524,801 | 973,927 | 399,431 | 330,645 | 361,074 | 1,011,875 | 835,625 | 922,931 |
| Total Charter School-Wide Program Revenues | 707,551 | 460,549 | 524,801 | 973,927 | 399,431 | 330,645 | 361,074 | 1,011,875 | 835,625 | 922,931 |
| Net (Expenses)/Revenues | | | | | | | | | | |
| Governmental Activities | (3,151,994) | (4,013,818) | (4,630,906) | (4,390,159) | (4,517,908) | (4,411,344) | (4,577,269) | (4,000,590) | (4,098,497) | (4,311,291) |
| Total Charter School-Wide Net (Expenses)/Revenues | (3,151,994) | (4,013,818) | (4,630,906) | (4,390,159) | (4,517,908) | (4,411,344) | (4,577,269) | (4,000,590) | (4,098,497) | (4,311,291) |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2024 | 2024 | 2024 |
| General Revenues and Other Changes in Net Position: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Local Property Taxes - Charter School Aid | \$ 2,277,903 | \$ 2,575,496 | \$ 2,413,828 | \$ 2,542,787 | \$ 2,839,808 | \$ 2,935,953 | \$ 3,283,909 | \$ 3,327,618 | \$ 3,356,358 | \$ 3,451,155 |
| Unrestricted Federal and State Aid | 1,132,068 | 1,412,788 | 1,669,497 | 1,734,168 | 1,763,313 | 1,829,454 | 1,794,396 | 1,166,268 | 1,173,196 | 1,209,904 |
| Investment Earnings | 156 | 187 | 246 | 645 | 1,416 | 1,196 | 207 | | | |
| Miscellaneous Income | 23,654 | 12,573 | 5,876 | 104,931 | 4,268 | 13,296 | 1,122 | 84,146 | 492 | 35,423 |
| Cancellation of Prior Year Payable | | | | | | | (1,609) | | | |
| Total Governmental Activities General Revenues & Other Changes | 3,433,781 | 4,001,044 | 4,089,447 | 4,382,531 | 4,608,805 | 4,779,899 | 5,078,025 | 4,578,032 | 4,530,046 | 4,696,482 |
| Total Charter School-Wide General Revenues and Other Changes in Net Position | 3,433,781 | 4,001,044 | 4,089,447 | 4,382,531 | 4,608,805 | 4,779,899 | 5,078,025 | 4,578,032 | 4,530,046 | 4,696,482 |
| Change in Net Position: | | | | | | | | | | |
| Governmental Activities | (580,037) | (629,862) | (541,459) | (7,628) | 90,897 | 368,555 | 500,756 | 577,442 | 431,549 | 385,191 |
| Total Charter School-Wide Change in Net Position | \$ (580,037) | \$ (629,862) | \$ (541,459) | \$ (7,628) | \$ 90,897 | \$ 368,555 | \$ 500,756 | \$ 577,442 | \$ 431,549 | \$ 385,191 |

Source: Sussex County Charter School for Technology Financial Reports.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY

FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(UNAUDITED)

(Modified Accrual Basis of Accounting)

| | June 30, | | | | | | | | | |
|------------------------------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| General Fund: | | | | | | | | | | |
| Restricted | \$ 145,494 | \$ 75,503 | \$ 75,521 | \$ 75,530 | \$ 75,544 | \$ 80,270 | \$ 80,913 | \$ 85,440 | \$ 83,435 | \$ 88,259 |
| Assigned | 15,011 | 119,659 | | 1,360 | 1,154 | 25,479 | 85,219 | 223,004 | 171,936 | 123,866 |
| Unassigned | 386,531 | 368,729 | 226,899 | 313,820 | 365,734 | 735,714 | 1,156,458 | 1,442,996 | 1,733,840 | 1,948,105 |
| Total General Fund | 547,036 | 563,891 | 302,420 | 390,710 | 442,432 | 841,463 | 1,322,590 | 1,751,440 | 1,989,211 | 2,160,230 |
| All Other Governmental Funds: | | | | | | | | | | |
| Restricted | | | | | | 19,549 | 16,178 | 8,987 | 10,743 | 25,735 |
| Total All Other Governmental Funds | | | | | | 19,549 | 16,178 | 8,987 | 10,743 | 25,735 |
| Total Governmental Funds | \$ 547,036 | \$ 563,891 | \$ 302,420 | \$ 390,710 | \$ 442,432 | \$ 861,012 | \$ 1,338,768 | \$ 1,760,427 | \$ 1,999,954 | \$ 2,185,965 |

Source: Sussex County Charter School for Technology Financial Reports.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(UNAUDITED)

(Modified Accrual Basis of Accounting)

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Revenues: | | | | | | | | | | |
| Tax Levy | \$ 2,277,903 | \$ 2,575,496 | \$ 2,413,828 | \$ 2,542,787 | \$ 2,839,808 | \$ 2,935,953 | \$ 3,283,909 | \$ 3,327,618 | \$ 3,356,358 | \$ 3,451,155 |
| Miscellaneous | 23,810 | 12,760 | 6,122 | 105,576 | 5,684 | 14,492 | 7,754 | 104,224 | 34,637 | 100,497 |
| State Sources | 1,443,873 | 1,326,210 | 1,419,218 | 1,737,899 | 1,723,261 | 1,829,454 | 1,794,396 | 1,949,701 | 2,019,431 | 2,181,135 |
| Federal Sources | 115,199 | 106,573 | 105,828 | 112,060 | 86,542 | 106,093 | 148,170 | 293,029 | 219,180 | 307,272 |
| Total Revenue | 3,860,785 | 4,021,039 | 3,944,996 | 4,498,322 | 4,655,295 | 4,885,992 | 5,234,229 | 5,674,572 | 5,629,606 | 6,040,059 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular Instruction | 1,241,053 | 1,423,182 | 1,577,785 | 1,605,766 | 1,610,962 | 1,579,707 | 1,517,510 | 1,726,421 | 1,704,456 | 1,781,789 |
| Special Education Instruction | 138,950 | 146,323 | 52,335 | 117,868 | 124,941 | 121,449 | 71,010 | 72,861 | 74,926 | 77,596 |
| Other Instruction | 44,385 | 51,581 | 68,044 | 75,394 | 72,679 | 64,647 | 82,182 | 113,793 | 78,455 | 76,341 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 320,917 | 279,503 | 259,844 | 197,390 | 266,309 | 211,466 | 432,169 | 558,529 | 535,142 | 545,103 |
| General Administration Services | 169,434 | 298,939 | 289,695 | 288,948 | 268,879 | 228,699 | 255,463 | 263,769 | 261,129 | 275,564 |
| School Administration Services | 113,933 | 88,210 | 91,008 | 95,241 | 86,268 | 86,968 | 96,206 | 57,105 | 69,039 | 85,346 |
| Central Services | 125,934 | 155,551 | 176,045 | 102,412 | 104,772 | 107,101 | 102,210 | 169,653 | 167,525 | 197,227 |
| Administrative Information Technology | | | | 27,102 | 35,878 | 30,578 | 42,095 | 50,423 | 55,415 | 52,745 |
| Plant Operations And Maintenance | 216,471 | 198,137 | 289,045 | 255,220 | 247,592 | 216,857 | 349,014 | 317,195 | 396,182 | 410,928 |
| Pupil Transportation | 6,665 | 7,403 | 6,447 | 11,290 | 10,092 | 1,927 | 6,300 | 1,220 | 2,733 | 2,597 |
| Unallocated Benefits | 876,899 | 1,011,373 | 1,083,120 | 1,324,129 | 1,505,980 | 1,532,860 | 1,501,849 | 1,620,603 | 1,719,267 | 1,895,548 |
| Capital Outlay | 75,428 | 24,395 | 3,827 | | | | | 139,914 | 37,370 | 157,236 |
| Debt Service: | | | | | | | | | | |
| Principal | 173,358 | 110,799 | 126,721 | 143,589 | 148,989 | 151,085 | 162,505 | 171,570 | 120,685 | 190,523 |
| Interest and Other Charges | 225,921 | 208,788 | 182,551 | 165,683 | 160,284 | 158,188 | 136,351 | 116,871 | 167,755 | 105,505 |
| Total Expenditures | 3,729,348 | 4,004,184 | 4,206,467 | 4,410,032 | 4,643,625 | 4,491,532 | 4,754,864 | 5,379,927 | 5,390,079 | 5,854,048 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | 131,437 | 16,855 | (261,471) | 88,290 | 11,670 | 394,460 | 479,365 | 294,645 | 239,527 | 186,011 |
| Other Financing Sources: | | | | | | | | | | |
| Leases (Non-budgeted) | | | | | | | (1,609) | 127,014 | | |
| Cancellation of Prior Year (Receivable)/Payable | | | | | | | | | | |
| Net Change In Fund Balances | \$ 131,437 | \$ 16,855 | \$ (261,471) | \$ 88,290 | \$ 11,670 | \$ 394,460 | \$ 477,756 | \$ 421,659 | \$ 239,527 | \$ 186,011 |
| Debt Service as a Percentage of Noncapital Expenditures | 10.93% | 8.03% | 7.36% | 7.01% | 6.66% | 6.89% | 6.29% | 5.50% | 5.39% | 5.20% |

Source: Sussex County Charter School for Technology Financial Reports.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
 (UNAUDITED)
(Modified Accrual Basis of Accounting)

| Fiscal Year Ended June 30, | Interest on Investments | Local Levy - Charter School Aid | Other | Total |
|----------------------------------|----------------------------|---------------------------------------|-----------|--------------|
| 2015 | \$ 156 | \$ 2,277,903 | \$ 23,654 | \$ 2,301,713 |
| 2016 | 187 | 2,575,496 | 12,573 | 2,588,256 |
| 2017 | 246 | 2,413,828 | 5,876 | 2,419,950 |
| 2018 | 645 | 2,542,787 | 104,931 | 2,648,363 |
| 2019 | 1,415 | 2,839,808 | 4,269 | 2,845,492 |
| 2020 | 1,196 | 2,935,953 | 13,296 | 2,950,445 |
| 2021 | 207 | 3,283,909 | 1,122 | 3,285,238 |
| 2022 | 146 | 3,327,618 | 84,000 | 3,411,764 |
| 2023 | 182 | 3,356,358 | 310 | 3,356,850 |
| 2024 | 14,196 | 3,451,155 | 21,227 | 3,486,578 |

Source: Sussex County Charter School for Technology Financial Reports.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
(UNAUDITED)

| <u>Year</u> | <u>Sussex County Population ^a</u> | <u>Sussex County Per Capita Personal Income ^b</u> | <u>Sussex County Personal Income ^c</u> | <u>Sussex County Unemployment Rate ^d</u> |
|-------------|--|--|---|---|
| 2015 | 143,059 | \$ 55,722 | \$ 7,971,533,598 | 5.20% |
| 2016 | 142,004 | 57,327 | 8,140,663,308 | 4.70% |
| 2017 | 141,267 | 59,144 | 8,355,095,448 | 4.40% |
| 2018 | 140,995 | 61,531 | 8,675,563,345 | 4.00% |
| 2019 | 140,710 | 64,284 | 9,045,401,640 | 3.40% |
| 2020 | 140,002 | 67,814 | 9,494,095,628 | 9.40% |
| 2021 | 145,543 | 71,059 | 10,342,140,037 | 5.90% |
| 2022 | 146,084 | 71,671 | 10,469,986,364 | 3.70% |
| 2023 | 146,132 | 71,671 ** | 10,473,426,572 ** | 4.30% |
| 2024 | 146,132 * | 71,671 ** | 10,473,426,572 ** | N/A |

N/A - Information is not available.

* - Latest Sussex County population (2023) available was used for calculation purposes.

** - Latest Sussex County per capita personal income available (2022) was used for calculation purposes.

Sources:

- ^a Population information provided by the NJ Department of Labor and Workforce Development.
- ^b Per capita personal income by county estimated based upon the 2022 Census published by the US Bureau of Economic Analysis.
- ^c Personal income has been estimated based upon the county population and per capita personal income presented.
- ^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
PRINCIPAL EMPLOYERS, COUNTY OF SUSSEX
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

| 2024 | | | 2014 | | |
|---|---------------|--------------------------------------|---------------------------------|---------------|--------------------------------------|
| Employer | Employees | Percentage of Total Employment | Employer | Employees | Percentage of Total Employment |
| Selective Insurance Group Inc. | 1,000-4,999 | 1.43%-7.17% | Newton Medical Center | 1,000-4,999 | 1.36%-6.78% |
| Crystal Springs Resort | 1,000-4,999 | 0.72%-1.43% | Selective Insurance Group Inc. | 1,000-4,999 | 1.36%-6.78% |
| Newton Medical Center | 500-999 | 0.72%-1.43% | Mountain Creek Resort | 500-999 | 0.68%-1.35% |
| Sussex County Offices | 500-999 | 0.36%-0.72% | Thorlabs | 500-999 | 0.68%-1.35% |
| Thorlabs | 500-999 | 0.14%-0.36% | Sussex County Offices | 500-999 | 0.68%-1.35% |
| Mountain Creek Resort | 500-999 | 0.14%-0.36% | Ames Rubber Corp | 250-499 | 0.34%-0.68% |
| Shop Rite | 250-499 | 0.14%-0.36% | Raider Express | 250-499 | 0.34%-0.68% |
| Sussex County Community College | 250-499 | 0.14%-0.36% | Sussex County Community College | 250-499 | 0.34%-0.68% |
| United Methodist Community Bristol Glen | 250-499 | 0.14%-0.36% | Mountain Creek Waterpark | 100-249 | 0.14%-0.34% |
| N/A | | | A&P Food Store | 100-249 | 0.14%-0.34% |
| Total Employment - Sussex County | <u>75,673</u> | | Total Employment | <u>73,737</u> | |

N/A - Not Available
Source: County of Sussex

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

| <u>Function/Program</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction: | | | | | | | | | | |
| Regular | 22.0 | 22.0 | 22.0 | 22.0 | 22.0 | 22.0 | 22.0 | 22.0 | 22.0 | 22.0 |
| Other Instruction | 3.5 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 3.0 | 5.0 | 5.0 | 5.0 |
| Support Services: | | | | | | | | | | |
| General Administration Services | 5.5 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| School Administration Services | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Central Services | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.0 | 1.0 | 1.0 |
| Administrative Information Technology | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Plant Operations and Maintenance | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Total | <u>38.5</u> | <u>36.5</u> | <u>36.5</u> | <u>36.5</u> | <u>36.5</u> | <u>36.5</u> | <u>35.5</u> | <u>37.0</u> | <u>37.0</u> | <u>37.0</u> |

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
OPERATING STATISTICS
LAST TEN FISCAL YEARS
 (UNAUDITED)

| Fiscal Year | Enrollment | Operating Expenditures ^a | Cost Per Pupil ^b | Percent Change | Teaching Staff ^c | Pupil/Teacher Ratio | Average Daily Enrollment (ADE) ^d | Average Daily Attendance (ADA) ^d | % Change Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|-----------------------------|----------------|-----------------------------|---------------------|---|---|-----------------------------------|-------------------------------|
| | | | | | | | | | | |
| 2015 | 225.0 | \$ 3,254,641 | \$ 14,465 | 13.41% | 22.0 | 10.2 | 221.5 | 209.0 | -1.42% | 94.36% |
| 2016 | 225.0 | 3,660,202 | 16,268 | 15.31% | 24.0 | 9.4 | 225.0 | 212.6 | 0.09% | 94.49% |
| 2017 | 225.0 | 3,893,368 | 17,304 | 19.63% | 24.0 | 9.0 | 215.5 | 203.6 | -4.22% | 94.48% |
| 2018 | 225.0 | 4,100,760 | 18,226 | 12.04% | 24.0 | 9.0 | 223.0 | 209.8 | 3.48% | 94.08% |
| 2019 | 225.0 | 4,334,352 | 19,264 | 11.33% | 24.0 | 9.0 | 224.0 | 211.2 | 0.43% | 94.28% |
| 2020 | 225.0 | 4,182,259 | 18,588 | 1.99% | 24.0 | 9.0 | 223.8 | 213.2 | -0.07% | 95.26% |
| 2021 | 225.0 | 4,456,008 | 19,804 | 2.81% | 23.0 | 9.0 | 224.5 | 218.5 | 0.31% | 97.33% |
| 2022 | 225.0 | 4,951,572 | 22,007 | 18.39% | 22.0 | 10.2 | 222.5 | 208.5 | -0.89% | 93.71% |
| 2023 | 225.0 | 5,064,269 | 22,508 | 13.65% | 22.0 | 10.2 | 222.6 | 207.0 | 0.04% | 92.99% |
| 2024 | 225.0 | 5,400,784 | 24,003 | 9.07% | 22.0 | 10.2 | 222.0 | 208.8 | -0.27% | 94.05% |

Note: Enrollment is based on the annual October District count.

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

^b Cost per pupil is calculated based upon enrollment and operating expenditures presented and may not be the same as other cost per pupil calculations.

^c Teaching staff includes only full-time equivalents of certificated staff.

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

Source: Sussex County Charter School for Technology Business Office.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
SCHOOL BUILDING INFORMATION
LAST TEN YEARS
(UNAUDITED)

| <u>District Building</u> | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Sussex County Charter School | | | | | | | | | | |
| Square Feet | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Capacity (Students) | 225 | 225 | 225 | 225 | 225 | 225 | 225 | 225 | 225 | 225 |
| Enrollment | 225 | 225 | 225 | 225 | 225 | 225 | 225 | 225 | 225 | 225 |

Number of Schools at June 30, 2023:

Other = 1

Note: Enrollment is based on the annual October District count.

Source: Sussex County Charter School for Technology Business Office.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

Undistributed Expenditures - Required Maintenance for School Facilities*
(Account #11-000-261-XXX)

| Fiscal Year Ended June 30 | Sussex County Charter School for Technology | Total School Facilities |
|---------------------------------|---|-------------------------------|
| 2015 | \$ 59,750 | \$ 59,750 |
| 2016 | 72,460 | 72,460 |
| 2017 | 81,015 | 81,015 |
| 2018 | 73,578 | 73,578 |
| 2019 | 70,882 | 70,882 |
| 2020 | 56,638 | 56,638 |
| 2021 | 101,556 | 101,556 |
| 2022 | 66,347 | 66,347 |
| 2023 | 74,780 | 74,780 |
| 2024 | 78,294 | 78,294 |

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

Source: Sussex County Charter School for Technology records.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
INSURANCE SCHEDULE
JUNE 30, 2024
(UNAUDITED)

| | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| School Package Policy - NJSIG: | | |
| Blanket Building and Contents: | | |
| Each Occurrence | \$ 5,977,300 | \$ 1,000 |
| Blanket Business Income: | | |
| Each Occurrence | 4,469,085 | 1,000 |
| Boiler and Machinery: | | |
| Each Occurrence | 5,977,300 | 25,000 |
| Crime/Faithful Performance: | | |
| Each Occurrence | 100,000 | 500 |
| Comprehensive General Liability: | | |
| Each Occurrence | 6,000,000 | |
| Sexual Abuse Liability: | | |
| Each Occurrence | 6,000,000 | |
| Comprehensive Automobile Liability: | | |
| Combined single limit (each accident) | 6,000,000 | |
| Employee Benefits Liability: | | |
| Each Occurrence | 6,000,000 | 1,000 |
| Environmental Liability: | | |
| Each Occurrence | 1,000,000 | 50,000 |
| School Board Legal Liability: | | |
| Each Occurrence | 6,000,000 | 5,000 |
| Workers Compensation: | | |
| Each Occurrence | 3,000,000 | |
| Student Accident: | | |
| Each Occurrence | 1,000,000 | |
| Public Official Bond - The Hanover Insurance Group | | |
| School Business Administrator | 200,000 | |
| Treasurer | 200,000 | |

Source: Sussex County Charter School for Technology Business Office.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGYFINAL PERFORMANCEJUNE 30, 2024

(UNAUDITED)

| | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|--------------------------------|---------------------|---------------------|---------------------|
| Cash | \$ 1,884,242 | \$ 1,940,786 | \$ 2,233,007 |
| Current Assets | 182,721 | 285,723 | 190,900 |
| Capital Assets and Lease, Net | 4,687,982 | 4,568,492 | 4,543,345 |
| Total Assets | <u>6,754,945</u> | <u>6,795,001</u> | <u>6,967,252</u> |
| Deferred Outflows | <u>224,307</u> | <u>134,150</u> | <u>154,063</u> |
| Current Liabilities | 356,536 | 256,555 | 267,942 |
| Long Term Liabilities | 4,052,348 | 3,710,742 | 3,680,655 |
| Total Liabilities | <u>4,408,884</u> | <u>3,967,297</u> | <u>3,948,597</u> |
| Deferred Inflows | <u>445,616</u> | <u>405,553</u> | <u>257,158</u> |
| Net Position | <u>\$ 2,124,752</u> | <u>\$ 2,556,301</u> | <u>\$ 2,915,560</u> |
| Total Revenue | \$ 5,589,907 | \$ 5,672,589 | \$ 5,619,413 |
| Total Expenses | <u>5,012,465</u> | <u>5,241,040</u> | <u>5,234,222</u> |
| Change in Net Position | <u>\$ 577,442</u> | <u>\$ 431,549</u> | <u>\$ 385,191</u> |
| Depreciation Expense | \$ 122,115 | \$ 109,424 | \$ 121,099 |
| Lease Amortization Expense | 30,119 | 30,119 | 30,119 |
| Principal Payments | 200,844 | 197,458 | 220,666 |
| Interest Payments | 121,827 | 92,955 | 108,097 |
| Final Average Daily Enrollment | 224.00 | 224.00 | 224.00 |
| March 30th Budgeted Enrollment | 225.00 | 225.00 | 225.00 |

| | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>3 Year Cumulative</u> |
|-----------------------------|-------------|-------------|-------------|------------------------------|
| Near Term Indicators: | | | | |
| Current Ratio | 0.51 | 1.11 | 0.71 | 0.80 |
| Unrestricted Days Cash | 101.81 | 104.25 | 116.98 | 212.18 |
| Enrollment Variance | -0.44% | -0.44% | -0.44% | -0.44% |
| Default | No | No | No | No |
| Sustainability Indicators: | | | | |
| Total Margin | 10.33% | 7.61% | 6.85% | 8.96% |
| Debt to Asset | 0.65 | 0.58 | 0.57 | 0.73 |
| Cash Flow | \$ 584,156 | \$ 56,544 | \$ 292,221 | \$ 1,141,837 |
| Debt Service Coverage Ratio | 2.26 | 1.97 | 1.63 | 1.95 |

SINGLE AUDIT SECTION

Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

Independent Auditors' Report

The Honorable President and Members
of the Board of Trustees
Sussex County Charter School for Technology
County of Sussex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities and each major fund of the Sussex County Charter School for Technology, in the County of Sussex (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, and have issued our report thereon dated October 1, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter School's internal control over financial reporting (internal control) as a basis for designing 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 Charter School's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The Honorable President and Members
of the Board of Trustees
Sussex County Charter School for Technology
Page 2

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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* in considering the Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 1, 2024
Mount Arlington, New Jersey

Nisivoccia LLP

NISIVOCCIA LLP

Valerie A. Dolan

Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

Report on Compliance For Each Major State Program:
Report on Internal Control Over Compliance Required by NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members
of the Board of Trustees
Sussex County Charter School for Technology
County of Sussex, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Sussex County Charter School for Technology's (the "Charter School's") compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Charter School's major state programs for the fiscal year ended June 30, 2024. The Charter School's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major State Program

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

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

The Honorable President and Members
of the Board of Trustees
Sussex County Charter School for Technology
Page 2

Responsibilities of Management for Compliance

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

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Charter School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's 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 we identified during the audit.

The Honorable President and Members
 of the Board of Trustees
 Sussex County Charter School for Technology
 Page 3

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 the Uniform Guidance or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

October 1, 2024
 Mount Arlington, New Jersey

Nisivoccia LLP
 NISIVOCCIA LLP

Valerie A. Dolan

Valerie A. Dolan
 Licensed Public School Accountant #2526
 Certified Public Accountant

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| Federal Grantor/Pass Through Grantor/Program Title/Cluster Title | Assistance Listing Number | Grant or State Project Number | Grant Period | Award Amount | Balance, June 30, 2023 | | Cash Received | Budgetary Expenditures | Adjustments | Balance, June 30, 2024 | | Amount Provided to Subrecipients |
|--|---------------------------------|----------------------------------|-----------------|-----------------|------------------------|-------------------------------------|------------------|---------------------------|-------------|------------------------|-------------------------------------|--|
| | | | | | Due to Grantor | Budgetary Accounts Receivable | | | | Unearned Revenue | Budgetary Accounts Receivable | |
| Special Revenue Fund: | | | | | | | | | | | | |
| US Department of Education Passed-through State of New Jersey Department of Education | | | | | | | | | | | | |
| Special Education Cluster: | | | | | | | | | | | | |
| IDEA- B, Basic | 84.027 | IDEA7850-23 | 7/1/22-9/30/23 | \$ 60,283 | \$ (3,812) | \$ 4,108 | \$ (296) | \$ 2 | | \$ (19,949) | | |
| IDEA- B, Basic | 84.027 | IDEA7850-24 | 7/1/23-9/30/24 | 64,197 | (3,812) | 44,246 | (64,197) | | 2 | (19,949) | | |
| Total Special Education Cluster | | | | | | 48,354 | (64,493) | | | | | |
| Elementary and Secondary Education Act | | | | | | | | | | | | |
| Title I - Part A | 84.010A | ESEA7850-23 | 7/1/22-9/30/23 | 24,375 | \$ 5,400 | 27,592 | (27,592) | | 5,400 | | | |
| Title I - Part A | 84.010A | ESEA7850-24 | 7/1/23-9/30/24 | 27,592 | 5,400 | 27,592 | (27,592) | | 5,400 | | | |
| Subtotal Title I | | | | | | | | | | | | |
| Title II - Part A | 84.367A | ESEA7850-24 | 7/1/23-9/30/24 | 4,737 | | 4,737 | (4,737) | | | | | |
| Subtotal Title II - Part A | | | | | | 4,737 | (4,737) | | | | | |
| Title IV | 84.424A | ESEA7850-23 | 7/1/22-9/30/23 | 10,000 | 1,930 | 7,832 | (10,000) | | 1,930 | (2,168) | | |
| Title IV | 84.424A | ESEA7850-24 | 7/1/23-9/30/24 | 10,000 | 1,930 | 7,832 | (10,000) | | 1,930 | (2,168) | | |
| Subtotal Title IV | | | | | | | | | | | | |
| Rural Education Achievement Program | 84.358 | S358A083261 | 7/1/23-9/30/24 | 28,955 | | 28,955 | (21,944) | | | \$ 7,011 | | |
| Subtotal Rural Education Achievement Program | | | | | | 28,955 | (21,944) | | | 7,011 | | |
| Education Stabilization Fund: | | | | | | | | | | | | |
| COVID-19 - CRRSA - Mental Health | 84.425D | N/A | 3/13/20-9/30/23 | 45,000 | | 11,298 | (11,298) | | | | | |
| COVID-19 - ARP - ESSER III | 84.425U | N/A | 3/13/20-9/30/24 | 143,325 | | 114,668 | (36,593) | (78,080) | 5 | | | |
| COVID-19 - ARP - Accelerated Learning | | | | | | | | | | | | |
| Coaching and Educator Support | 84.425U | N/A | 3/13/20-9/30/24 | 50,000 | | 19,930 | (941) | (19,119) | 130 | | | |
| COVID-19 - ARP - Evidence-Based Summer Learning and Enrichment Activities | 84.425U | N/A | 3/13/20-9/30/24 | 40,000 | | 16,584 | (800) | (23,378) | | (7,594) | | |
| COVID-19 - ARP - Evidence-Based Comprehensive Beyond the School Day | 84.425U | N/A | 3/13/20-9/30/24 | 40,000 | | 35,313 | (1,906) | (33,407) | | | | |
| COVID-19 - ARP -NJTSS Mental Health and Support Staffing | 84.425U | N/A | 3/13/20-9/30/24 | 45,000 | | 36,269 | (2,858) | (34,661) | | (1,250) | | |
| Total Education Stabilization Fund | | | | | | 234,062 | (54,396) | (188,645) | 135 | (8,844) | | |
| Total U.S. Department of Education | | | | | 7,330 | 351,532 | (58,208) | (317,411) | 7,467 | 7,011 | (30,961) | |
| Total Federal Awards | | | | \$ 7,330 | \$ (58,208) | \$ 351,532 | \$ (317,411) | \$ 7,467 | \$ 7,011 | \$ (30,961) | \$ - 0 - | |

N/A - Not Applicable/Available

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | June 30, 2023 | | Adjustments | June 30, 2024 | | MEMO | |
|---|----------------------------------|--------------------|-----------------|--------------------------------------|------------------|----------------|--|-------------------------|-------------------------|-------------------------------------|
| | | | | Revenue/ (Accounts Receivable) | Cash Received | | Unearned Revenue/ (Accounts Receivable) | Budgetary Receivable | Budgetary Receivable | Cumulative Total Expenditures |
| General Fund: | | | | | | | | | | |
| State Department of Education: | | | | | | | | | | |
| Equalization Aid (Charter School Aid) | 23-495-034-7850-003 | 7/01/22-6/30/23 | \$ 725,731 | \$ (34,833) | \$ 34,833 | | | | | \$ 725,731 |
| Special Education Aid | 23-495-034-5120-089 | 7/01/22-6/30/23 | 189,460 | (9,480) | 9,480 | | | | | 189,460 |
| Security Aid | 23-495-034-5120-084 | 7/01/22-6/30/23 | 28,939 | (577) | 577 | | | | | 28,939 |
| Equalization Aid (Charter School Aid) | 24-495-034-7850-003 | 7/01/23-6/30/24 | 804,706 | | 762,903 | \$ (804,706) | \$ (41,803) | \$ (41,803) | | 804,706 |
| Special Education Aid | 24-495-034-5120-089 | 7/01/23-6/30/24 | 223,807 | | 217,402 | (223,807) | (6,405) | (6,405) | | 223,807 |
| Security Aid | 24-495-034-5120-084 | 7/01/23-6/30/24 | 37,274 | | 34,296 | (37,274) | (2,978) | (2,978) | | 37,274 |
| Reimbursed TPAF Social Security Contributions | 23-495-034-5094-003 | 7/01/22-6/30/23 | 139,924 | (15,176) | 15,176 | | | | | 139,924 |
| Reimbursed TPAF Social Security Contributions | 24-495-034-5094-003 | 7/01/23-6/30/24 | 144,117 | | 136,287 | (144,117) | (7,830) | (7,830) | | 144,117 |
| On-Behalf TPAF Post Retirement Contributions | 24-495-034-5094-001 | 7/01/23-6/30/24 | 194,842 | | 194,842 | (194,842) | | | | 194,842 |
| On-Behalf TPAF Pension Contributions | 24-495-034-5094-002 | 7/01/23-6/30/24 | 707,826 | | 707,826 | (707,826) | | | | 707,826 |
| On-Behalf TPAF Non-Contributory Insurance | 24-495-034-5094-004 | 7/01/23-6/30/24 | 8,072 | | 8,072 | (8,072) | | | | 8,072 |
| On-Behalf TPAF Long-Term Disability Insurance | 24-495-034-5094-004 | 7/01/23-6/30/24 | 435 | | 435 | (435) | | | | 435 |
| Total General Fund | | | | (60,066) | 2,122,129 | (2,121,079) | (59,016) | (59,016) | | 3,205,133 |
| Special Revenue Fund: | | | | | | | | | | |
| State Department of Education: | | | | | | | | | | |
| Preschool and Charter Security Grant | 21E00244 | 10/13/21 - 9/30/24 | 20,000 | (6,313) | 20,000 | (17,175) | 2,825 | | | 17,175 |
| NJ Schools Development Authority: | | | | | | | | | | |
| School Development Authority - | N/A | 7/1/22-6/30/24 | 36,031 | 341 | | (341) | | | | 36,031 |
| Emergent Program | N/A | 7/1/23-6/30/24 | 69,917 | | 69,576 | (69,576) | | | | 69,576 |
| Total Special Revenue Fund | | | | (5,972) | 89,576 | (87,092) | 2,825 | | | 122,782 |
| Total State Awards Subject to Single Audit Determination | | | | \$ (66,038) | \$ 2,211,705 | \$ (2,208,171) | \$ (56,191) | \$ (59,016) | | \$ 3,327,915 |
| Less: State Awards Not Subject to Single Audit Major Program Determination | | | | | | | | | | |
| On-Behalf TPAF Pension System Contributions: | | | | | | | | | | |
| On-Behalf TPAF Post Retirement Contributions | 24-495-034-5094-001 | 7/01/23-6/30/24 | (194,842) | | | \$ 194,842 | | | | |
| On-Behalf TPAF Pension Contributions | 24-495-034-5094-002 | 7/01/23-6/30/24 | (707,826) | | | 707,826 | | | | |
| On-Behalf TPAF Non-Contributory Insurance | 24-495-034-5094-004 | 7/01/23-6/30/24 | (8,072) | | | 8,072 | | | | |
| On-Behalf TPAF Long-Term Disability Insurance | 24-495-034-5094-004 | 7/01/23-6/30/24 | (435) | | | 435 | | | | |
| Subtotal - On-Behalf TPAF Pension System Contributions | | | | | | 911,175 | | | | |
| Total State Awards Subject to Single Audit Major Program Determination | | | | | | \$ (1,296,996) | | | | |

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards include federal and state grant activity of the Board of Trustees, Sussex County Charter School for Technology under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Charter School, they are not intended to and do not present the financial position, changes in net position or cash flows of the Charter School.

NOTE 2. BASIS OF ACCOUNTING

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting. The basis of accounting is described in Note 1 to the Charter School's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The 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 revenue, whereas the GAAP basis does not.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis is \$-0- for the General Fund and (\$37,175) for the Special Revenue Fund. See Exhibit C-3 for a reconciliation of revenue from the budgetary basis to the GAAP basis of accounting for the General and Special Revenue Funds. Revenue from Federal and State awards is reported on the Charter School's basic financial statements on a GAAP basis as presented below:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|----------------------|-------------------|---------------------|---------------------|
| General Fund | | \$ 2,121,079 | \$ 2,121,079 |
| Special Revenue Fund | \$ 307,272 | 60,056 | 367,328 |
| | <u>\$ 307,272</u> | <u>\$ 2,181,135</u> | <u>\$ 2,488,407</u> |

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2024.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

| | | | | |
|---|-------|-----|---------------|---------------|
| 1.) Material weakness identified? | _____ | Yes | _____ X _____ | No |
| 2.) Significant deficiencies identified? | _____ | Yes | _____ X _____ | None reported |
| Noncompliance material to basic financial statements noted? | _____ | Yes | _____ X _____ | No |

Federal Awards

The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2024 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.

State Awards

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

Unmodified

Internal control over major programs:

| | | | | |
|---|-------|-----|---------------|---------------|
| 1.) Material weakness identified? | _____ | Yes | _____ X _____ | No |
| 2.) Significant deficiencies identified? | _____ | Yes | _____ X _____ | None reported |
| Noncompliance material to basic financial statements noted? | _____ | Yes | _____ X _____ | No |

Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?

| | | | |
|-------|-----|---------------|----|
| _____ | Yes | _____ X _____ | No |
|-------|-----|---------------|----|

Identification of major programs:

| Program Name | State Grant No. | Grant Period | | Award Amount | Budgetary Expenditures |
|---------------------------------------|---------------------|--------------|---------|--------------|------------------------|
| | | Start | End | | |
| State Aid Public: | | | | | |
| Equalization Aid (Charter School Aid) | 24-495-034-7850-003 | 7/1/23 | 6/30/24 | \$ 804,706 | \$ 804,706 |
| Special Education Aid | 24-495-034-5120-089 | 7/1/23 | 6/30/24 | 223,807 | 223,807 |
| Security Aid | 24-495-034-5120-084 | 7/1/23 | 6/30/24 | 37,274 | 37,274 |

Dollar threshold used to distinguish between Type A and B programs

\$ 750,000

Auditee qualified as low-risk auditee?

| | | | |
|-------|-----|---------------|----|
| _____ | Yes | _____ X _____ | No |
|-------|-----|---------------|----|

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Status of Prior Year Findings:

There were no prior year audit findings.