

UNION COUNTY TEAMS CHARTER SCHOOL

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2024

UNION COUNTY TEAMS CHARTER SCHOOL

***Union County TEAMS Charter School
Board of Trustees
Plainfield, New Jersey***

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

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT
OF THE
UNION COUNTY TEAMS CHARTER SCHOOL
PLAINFIELD, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024***

***Prepared by
Union County TEAMS Charter School
Finance Department***

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

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INTRODUCTORY SECTION



515-517 W. 4th Street
Plainfield, NJ 07060

Board of Trustees
Union County TEAMS Charter School
County of Union
Plainfield, New Jersey 07060

Enclosed herewith please find the **Annual Comprehensive Financial Report (“ACFR”)** of the Union County TEAMS Charter School (“UCTCS”) for fiscal year 2023-2024.

The ACFR includes the Basic Financial Statements of the Charter School, prepared in accordance with Governmental Accounting Standards Board (GASB) Statement 34. The UCTCS Administration utilizes this reporting model because it is believed to provide the most useful financial and statistical information appropriate to the operational needs of our managerial structure.

The annual report is designed to provide the taxpayers of Union County with comprehensive operational and financial data in a straightforward presentation that enables a clear understanding of the UCTCS operations, administration, and financial affairs. To that end, and to the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner that presents fairly the financial position and results of operations of UCTCS.

The ACFR is presented in four (4) sections as follows:

1. **The Introductory Section** - which includes a Table of Contents, Letter of Transmittal, List of Principal Officers, and an Organization Chart.
2. **The Financial Section** – which includes the Independent Auditor’s Report, the Management’s Discussion and Analysis, Basic Financial Statements, Notes Providing a Financial Position and Operating Results Overview, and Other Schedules providing budgetary information.
3. **The Statistical Section** – which includes Selected Economic and Demographic Information, Financial Trends, and the Fiscal Capacity of UCTCS.
4. **The Single Audit Section** – which confirms that UCTCS is in conformity with the provisions of the Single Audit Act Amendments of 1996, as amended, the U.S. Office of Management and Budget (OMB) Circular A-133, *“Audits of States, Local Governments*

and Non-Profit Organizations”, and the New Jersey State Office of Management and Budget (OMB) Circular 04-04, “*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*”. Information related to this single audit, including the independent auditors’ report on the internal control and compliance with applicable laws, regulations, contracts, and grants, along with findings and questioned costs, are included in the single audit section of this report.

Charter School Organization

A Board of Trustees (“Board”) comprised of eight (8) members - five (5) appointed (voting) and three (3) ex-officio (non-voting) - serves as the Governing Body and Policymaker for UCTCS. The Board adopts an annual operating budget, and reviews/approves all expenditures against the adopted budget. This process serves as the method through which the Board exercises its authority and fiscal responsibility for the budgetary allocations and disbursements of taxpayer dollars that fund school operations.

The Executive Director is the Chief School Administrator (“CSA”) of UCTCS and an ex-officio member of the Board, responsible for overall direction and management of the administrative, educational and support services of the school, inclusive of maintaining all related administrative records.

The School Business Administrator is the Chief Financial Officer (“CFO”) of UCTCS and an ex-officio member of the Board, responsible for all fiscal operational and budget management activities, inclusive of purchasing and procurement, issuing warrants in payment of liabilities incurred by UCTCS, acting as custodian of all UCTCS funds, investing idle funds as permitted by NJ law, and maintaining all financial records.

Reporting Entity and Its Services

UCTCS is an independent reporting entity within the criteria adopted by the Government Auditing Standards Board (“GASB”) as established by GASB Statement No. 14. All funds and account groups of UCTCS are included in this report. The UCTCS Board of Trustees constitutes the UCTCS reporting entity.

UCTCS provides a full range of educational programs and services appropriate to grade levels kindergarten through Grade 12. The programs and services include the standard curriculum, special education, basic skills instruction, and expansive extra-curricular activities.

For grades 9-12, the school provides a comprehensive high school program with an overall focus on college preparatory and leadership courses. Most significant to this structure are dual-credit program affiliations with County colleges, wherein eligible juniors and seniors may participate towards earning college credits simultaneously with credits earned towards high school graduation.

UCTCS completed the 2023-2024 school year with a final enrollment of 318 students, measuring at 11.7% less than the Original Budget enrollment projection of 360.

Economic Condition and Outlook

The NJDOE Office of Charter School (OCS) utilizes a comprehensive *Performance Framework* incorporating key fiscal standards for assessing the fiscal fitness of a charter school. The objective of this framework is to provide information about the fiscal performance of the school and its prospective sustainability. The fiscal evaluative standards are categorized as *Near-Term Indicators* and *Sustainability Indicators*, with each category being comprised of distinct financial metrics that are quantitative as well as qualitative towards assessing the financial wellness of the charter school.

The *Near-Term Indicators* of *Current Ratio*, *Unrestricted Cash*, and *Default* continue to reflect the overall school business operations as being exceptional in performance, with key areas of fiscal management significantly exceeding benchmark guidelines set forth in the OCS Performance Framework. For example, *Current Ratio* is at 33.70 against the target of >1.1; *Unrestricted Cash* is at 517 days versus the target of 30-60 days.

With respect to *Enrollment* however, *Enrollment Variance* ended at 91% when compared to the benchmark of >95%. Continuation of recovery towards achievement at benchmark level remains an ongoing objective, notwithstanding the residual impact of negative carryforward from the 2020-2022 COVID period. Indications are that this situation is improving, with stability expected during the 2024-2026 timeframe and modest linear growth projected during 2026-2029.

The *Sustainability Indicators* of *Total Margin*, *Debt to Asset Ratio*, *Cash Flow*, and *Debt Service Coverage Ratio* reflect comparably to *Near-Term Indicators*, with each indicator significantly exceeding benchmark guidelines. Most significantly towards sustainability, *Debt to Asset* shows at 0.03, and the net change in *Cash Flow* equals \$948,523.

As indicated in narrative comparisons above, UC Teams ended the fiscal year with a significantly favorable financial position, reflecting continuation of cumulative year-to-year improvements in overall *Near-Term* and *Sustainability Indicators*, with particular care given *Debt to Asset*.

Internal Accounting Controls

The Board of Trustees is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Charter School are protected from loss, theft, or misuse, along with ensuring that adequate accounting data is compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles ("GAAP"). The internal control structure is designed to provide reasonable assurances 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 from such control, and (2) the valuation of costs and benefits requires estimates and judgement by management.

As a recipient of Federal and State financial assistance, UCTCS is also responsible for establishing an internal control structure to ensure compliance with applicable laws and

regulations related to those programs. This internal control structure is subject to periodic evaluation by UCTCS management.

As part of the **Single Audit** described herein, tests are made to assure the adequacy of the internal control structure, including that portion related to Federal and State financial assistance programs, as well as to determine that UCTCS has complied with applicable laws, regulations, contracts, and grants.

Budgetary Controls

In addition to internal accounting controls, UCTCS maintains strong comprehensive budgetary controls. The objective of such budgetary controls is to ensure compliance with managerial needs and legal provisions embodied in the annual appropriated budget. Compartments of the annual appropriated budget are adopted separately for the General Fund and the Special Revenue Fund. The final budget, as amended for the fiscal year, is reflected in the **ACFR Financial Section**.

An encumbrance accounting system is used to record outstanding purchase commitments on a departmental expense/line-item basis. Open encumbrances at the end of the fiscal year are either cancelled or included as re-appropriations of fund balance in the subsequent fiscal year.

Cash Management

State of New Jersey statutes guide the UCTCS investment policy, in large part, as detailed in "Notes to the Financial Statement." UCTCS utilizes a cash management protocol that requires it to deposit funds in public depositories that are protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA").

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

Risk Management

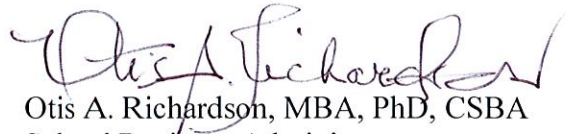
UCTCS carries various forms of insurance, as appropriate, including but not limited to comprehensive general liability workers' compensation, errors and omissions, and the like.

Independent Audit

State statutes require an annual audit by independent certified accountants or registered municipal accountants. For compliance with this requirement, the Board appointed the accounting firm of Barre and Company as independent auditors.

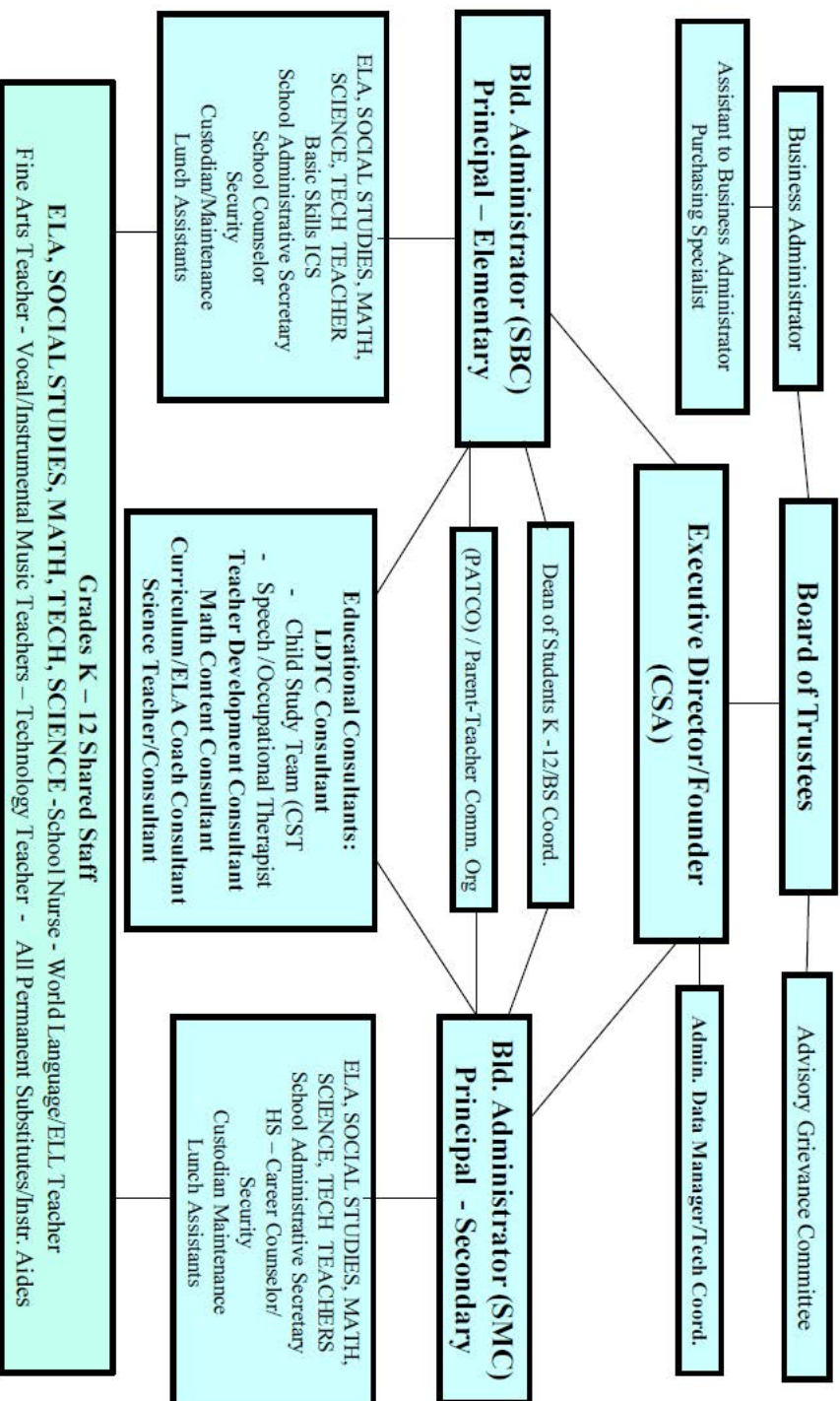
In addition to meeting the requirements set forth in State statutes, the annual audit was designed to meet the requirements of the Single Audit Act of 1984 and the Single Audit Act Amendment of 1966 and the related OMB Circular A-133, "*Audits of State, Local Governments and Non-Profit Organizations*", and New Jersey Circular Letter of 04-04 OMB, "*Single Audit for Recipients of Federal Grants, State Grants, and State Aid*". The auditors' report on the basic financial statements and specified required supplemental information is included in the **Financial Section** of this report. The auditors' report related specifically to the single audit is included in the **Single Audit Section** of this report.

On behalf of the citizens and taxpayers of Union County, I would like to acknowledge the support of the UCTCS Board of Trustees towards sound fiscal management and pragmatic day-to-day operational policies for the Charter School, along with a continued commitment to enhanced, state-of-the art educational programs and activities.

A handwritten signature in dark ink, appearing to read "Otis A. Richardson". The signature is fluid and cursive, with the first name "Otis" being more prominent.

Otis A. Richardson, MBA, PhD, CSBA
School Business Administrator

The Union County TEAMS Charter School
High School/College Leadership Academy K – 12 2023-2024



**UNION COUNTY TEAMS CHARTER SCHOOL
PLAINFIELD, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2024**

MEMBERS OF THE BOARD OF TRUSTEES

Bruce A. Williams, President

Lafayette Little-Avant, Vice-President

Cassandra Davis, Member

Frank Davis, PhD, Member

Leroy Canady, Member

OTHER OFFICIALS

Sheila L. Thorpe, Executive Director

Otis A. Richardson, MBA, Ph.D., School Business Administrator

Emma J. Johnson, CISA, Treasurer

**UNION COUNTY TEAMS CHARTER SCHOOL
PLAINFIELD, NEW JERSEY**

CONSULTANTS AND ADVISORS

Audit Firm

Barre & Company
Certified Public Accountants
2204 Morris Avenue, Suite 206
Union, New Jersey 07083

Official Depository

Joseph M. Wenzel, Esquire
Friend & Wenzel, LLC
1000 Clifton Avenue
Suite 101
Clifton, NJ 07013

Official Depository

PNC Bank
P.O. Box 6000
Bridgewater, NJ 08807

FINANCIAL SECTION

BARRE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

2204 Morris Avenue, Suite 206

Union, New Jersey 07083

(908) 686-3484

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Independent Auditor's Report

Honorable President
Members of the Board of Trustees
Union County TEAMS Charter School
County of Union
Plainfield, New Jersey

Report on the Audit of the Financial Statements

Opinions

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

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

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of Union County TEAMS Charter School's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section, and schedule of expenditure of federal awards are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Information

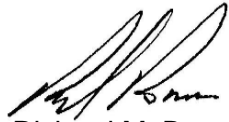
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024 on our consideration of the Union County TEAMS Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards and the Division of Finance, Department of Education, State of New Jersey* in considering the Charter School's internal control over financial reporting and compliance.


Barre & Company, CPA's
Union New Jersey


Richard M. Barre
Licensed Public School Accountant
No. CS-01181
Barre & Company, CPA's
Union, New Jersey

December 20, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**UNION COUNTY TEAMS CHARTER SCHOOL
PLAINFIELD, NEW JERSEY**

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

The discussion and analysis of Union County TEAMS Charter School's financial performance provides an overall review of the Charter School's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the Charter School's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Charter School's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 — *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2024 are as follows:

- ❖ General revenues accounted for \$7,300,111 in revenue or 98% percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$156,428 or 2%percent of total revenues of \$7,456,539.
- ❖ The Charter School had \$6,764,828 in expenses; only \$156,428 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$7,300,111 were adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$6,283,378 in revenues and \$5,774,673in expenditures. The General Fund's fund balance increased by \$508,705. This increase was anticipated by the Board of Trustees.

Using this Annual Comprehensive Financial Report (AFCR)

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

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

**UNION COUNTY TEAMS CHARTER SCHOOL
PLAINFIELD, NEW JERSEY**

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

Reporting the Charter School as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the Charter School to provide programs and activities, the view of the Charter School as a whole looks at all financial transactions and ask the question, "How did we do financially during 2024?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the Charter School's Most Significant Funds

Fund Financial Statements

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

**UNION COUNTY TEAMS CHARTER SCHOOL
PLAINFIELD, NEW JERSEY**

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

Governmental Funds

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

Proprietary Fund

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

Notes to the Basic Financial Statements

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

The Charter School as a Whole

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

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

The Charter School's combined net position was a surplus of \$6,880,021 for June 30, 2024 and a deficit of \$6,060,439 for 2023

Governmental Activities

The Charter School's total revenues were \$7,456,539 for 2024 and \$7,001,279 for 2023, this includes \$393,964 for 2024 and \$441,579 for 2023 of state reimbursed TPAF social security and pension contributions.

The total cost of all program and services were \$6,764,828 for 2024 and \$5,489,629 for 2023. Instruction comprises 48% of the Charter School expenditures for 2024 and 53% for 2023.

**UNION COUNTY TEAMS CHARTER SCHOOL
PLAINFIELD, NEW JERSEY**

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

Governmental Activities (Continued)

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

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

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

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

Business-Type Activities

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

Food Service

- ❖ Food service expenditures exceeded revenues by (51,627) for 2024 and revenues exceeded expenditures by \$11,660 for 2023.
- ❖ Charges for services represent \$ 8,711 for 2024 and \$ \$7,953 for 2023 of revenue. This represents amounts paid by patrons for daily food.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and breakfasts were \$ 151,228 for 2024 and \$ \$346,778 for 2023.

The Charter School's Funds

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$7,456,539 for 2024 and \$7,001,279 for 2023 and expenditures were \$6,715,358 for 2024 and \$5,587,793 for 2023. This year the net change in fund balance was most significant in the general fund, an increase of \$741,181 for 2024 and a increase of \$1,413,486 for 2023.

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

**UNION COUNTY TEAMS CHARTER SCHOOL
PLAINFIELD, NEW JERSEY**

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

The Charter School's Funds (Continued)

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2023	Percent of Increase/ (Decrease)
Local Sources	\$ 933,439	11.78%	\$ 19,032	2.08%
State Sources	5,349,939	67.56%	156,600	3.02%
Federal Sources	940,685	11.88%	47,152	5.28%
Other Financing Sources	694,892	8.78%	694,892	0.00%
Total	<u>\$ 7,918,955</u>	<u>100.00%</u>	<u>\$ 917,676</u>	

The following schedule represents a summary of the governmental funds expenditures for the fiscal year ended June 30, 2024, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2023	Percent of Increase/ (Decrease)
Instruction	\$ 2,535,065	37.75%	\$ 451,811	21.69%
Administration	2,038,141	30.35%	101,335	5.23%
Support Services	1,479,328	22.03%	(88,405)	-5.64%
Capital Outlay	662,824	9.87%	662,824	0.00%
Total	<u>\$ 6,715,358</u>	<u>100.00%</u>	<u>\$ 1,127,565</u>	

Changes in expenditures were the results of varying factors. Current expense decreased due to reduction in staff and medical costs.

General Fund Budgeting Highlights

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

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

**UNION COUNTY TEAMS CHARTER SCHOOL
PLAINFIELD, NEW JERSEY**

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

The Charter School's Funds

Capital Assets (Net of Depreciation)

At the end of the fiscal year 2024, the Charter School had \$0 invested in capital assets and \$0 for 2023 in capital assets.

For the Future

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

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

Contacting the Charter School's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have questions about this report or need additional information, contact Dr. Otis Richardson, School Business Administrator/Board Secretary at Union County TEAMS Charter School, 515-517 West 4th Street, Plainfield, New Jersey 07060-4225.

BASIC FINANCIAL STATEMENTS

SECTION A – CHARTER SCHOOL – WIDE FINANCIAL STATEMENTS

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

UNION COUNTY TEAMS CHARTER SCHOOL

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 8,916,355	\$ 35,349	\$ 8,951,704
Interfund Receivables		302	302
Receivables	455,120	6,198	461,318
Security Deposit	35,805		35,805
Total Assets	9,407,280	41,849	9,449,129
DEFERRED OUTFLOWS OF RESOURCES:			
Pensions	229,922		229,922
Deferred Outflows of Resources	229,922	-	229,922
LIABILITIES:			
Accounts Payable	246,728	33,378	280,106
Interfund Payable	302		302
Noncurrent Liabilities:			
Net Pension Liability	1,972,252		1,972,252
Total Liabilities	2,219,282	33,378	2,252,660
DEFERRED INFLOWS OF RESOURCES:			
Pensions	546,370		546,370
Deferred Inflows of Resources	546,370	-	546,370
NET POSITION:			
Unassigned	6,871,550	8,471	6,880,021
Total Net Position	\$ 6,871,550	\$ 8,471	\$ 6,880,021

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

UNION COUNTY TEAMS CHARTER SCHOOL
Statement of Activities
For The Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes In Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:								
Instruction	\$ 2,535,065	\$ 690,299	\$ -	156,428	\$ -	\$ (3,068,936)	\$ -	\$ (3,068,936)
Administration	1,609,983	304,205				(1,914,188)		(1,914,188)
Support Services	737,070	-				(737,070)		(737,070)
Interest Expense	20,836	-	-	-	-	(20,836)	-	(20,836)
Unallocated Amortization	655,804	-	-	-	-	(655,804)	-	(655,804)
Total Governmental Activities	5,558,758	994,504	-	156,428	-	(6,396,834)	-	(6,396,834)
BUSINESS-TYPE ACTIVITIES:								
Food Service and After School	211,566		8,711	151,228	-	-	(51,627)	(51,627)
Total Business-Type Activities	211,566		8,711	151,228	-	-	(51,627)	(51,627)
Total Primary Government	5,770,324		8,711	307,656	\$ -	\$ (6,396,834)	\$ (51,627)	\$ (6,448,461)
GENERAL REVENUES								
General Purposes						\$ 823,495	\$ -	\$ 823,495
Federal and State Aid Not Restricted						6,366,672		6,366,672
Investment Earnings						823		823
Miscellaneous Revenue						109,121		109,121
Total General Revenues						7,300,111	-	7,300,111
Change in Net Position						903,277	(51,627)	851,650
Net Position - Beginning of Year						6,000,341	60,098	6,060,439
Prior Period Adjustments						(32,068)		
Net Position, July 1 (Restated)						5,968,273	60,098	6,060,439
Net Position (Deficit) - Ending						6,871,550	8,471	6,912,089

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

SECTION B – FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

UNION COUNTY TEAMS CHARTER SCHOOL

Governmental Funds

Balance Sheet

June 30, 2024

	General Fund	Special Revenue Fund	Total
ASSETS:			
Cash	\$ 8,916,355	\$ -	\$ 8,916,355
Receivables From Other Governments	262,940	192,180	455,120
Interfund Receivables	191,878		191,878
Security Deposit	35,805		35,805
Total Assets	\$ 9,406,978	\$ 192,180	\$ 9,599,158
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 246,728	\$ -	\$ 246,728
Interfund Payables		192,180	192,180
Total Liabilities	246,728	192,180	438,908
Fund Balances:			
Unassigned:			
General Fund	9,160,250	-	9,160,250
Total Fund Balances	9,160,250	-	9,160,250
Total Liabilities and Fund Balances	\$ 9,406,978	\$ 192,180	

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

Net pension liability of \$1,972,252, deferred inflows of resources of \$546,370 less deferred outflows of resources of \$229,922 related to pensions are not reported in the governmental funds

(2,288,700)

Net Position (Deficit) of Governmental Activities

\$ 6,871,550

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

UNION COUNTY TEAMS CHARTER SCHOOL
Governmental Funds
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For The Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Total
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 823,495	\$ -	\$ 823,495
Interest on Investments	823		823
Miscellaneous	109,121		109,121
Total Local Sources	933,439		933,439
State Sources	5,349,939		5,349,939
Federal Sources		940,685	940,685
Total Revenues	6,283,378	940,685	7,224,063
EXPENDITURES:			
Current:			
Instruction	1,935,526	599,539	2,535,065
Administration	2,038,141		2,038,141
Support Services	1,138,182	341,146	1,479,328
Capital Outlay	662,824		662,824
Total Expenditures	5,774,673	940,685	6,715,358
Excess (Deficiency) of Revenues over Expenditures	508,705	-	508,705
OTHER FINANCING SOURCES (USES):			
Transfers	694,892		694,892
Total Other Financing Sources (Uses)	694,892	-	694,892
NET CHANGE IN FUND BALANCES	1,203,597	-	1,203,597
FUND BALANCE, JULY 1	7,988,721	-	7,988,721
PRIOR PERIOD ADJUSTMENT	(32,068)	-	(32,068)
FUND BALANCE, JULY 1, RESTATED	7,956,653	-	7,956,653
FUND BALANCE, JUNE 30	\$ 9,160,250	\$ -	\$ 9,160,250

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

UNION COUNTY TEAMS CHARTER SCHOOL
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For The Fiscal Year Ended June 30, 2024

Total net change in fund balances - governmental fund (from B-2)	\$ 1,203,597
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Amounts reported for governmental activities in the statement
 of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures.

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

Amortization Expense	(655,804)
Capital Outlay	662824

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

(307,340)

Change in net position (deficit) of governmental activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">\$ 903,277</div>
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The accompanying Notes to Basic Financial Statements are integral part of this statement.

PROPRIETARY FUNDS

UNION COUNTY TEAMS CHARTER SCHOOL
 Proprietary Funds
 Combining Statement of Fund Net Position
 June 30, 2024

	Business-Type Activities Enterprise Funds
	Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 35,349
Receivables:	
Interfund Accounts Receivable	302
Intergovernmental Accounts Receivable:	
Federal	5,997
State	201
	<hr/>
Total Current Assets	41,849
	<hr/>
Noncurrent Assets:	
Machinery and Equipment	10,765
Accumulated Depreciation on Machinery and Equipment	(10,765)
	<hr/>
Total Noncurrent Assets	-
	<hr/>
Total Assets	\$ 41,849
	<hr/> <hr/>
LIABILITIES AND NET POSITION:	
Liabilities:	
Current Liabilities:	
Accounts Payable	\$ 33,378
	<hr/>
Total Current Liabilities	33,378
	<hr/>
Total Liabilities	33,378
	<hr/>
NET POSITION:	
Unassigned	8,471
	<hr/>
Total Net Position	8,471
	<hr/>
Total Liabilities and Net Position	\$ 41,849
	<hr/> <hr/>

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

UNION COUNTY TEAMS CHARTER SCHOOL
Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For The Fiscal Year Ended June 30, 2024

	Business-Type Activities Enterprise Funds
	Food Service
OPERATING REVENUES:	
Charges for Services:	
Daily Sales Reimbursable Program	\$ 8,711
Total Operating Revenues	8,711
OPERATING EXPENSES:	
Cost of Sales	206,836
Miscellaneous Expenditures	4,730
Total Operating Expenses	211,566
OPERATING (LOSS)	(202,855)
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	3,748
State School Breakfast Program	1,050
Federal Sources:	
National School Lunch Program	128,176
National School Breakfast Program	15,969
National School Snack Program	2,285
Total Nonoperating Revenues	151,228
CHANGE IN NET POSITION	(51,627)
TOTAL NET POSITION, JULY 1	60,098
TOTAL NET POSITION, JUNE 30	\$ 8,471

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

UNION COUNTY TEAMS CHARTER SCHOOL
 Proprietary Fund
 Combining Statement of Cash Flows
 For The Fiscal Year Ended June 30, 2024

	Business-Type Activities Enterprise Funds
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	8,716
Cash Payments to Suppliers and Employees	<u>(190,913)</u>
Net Cash Used In Operating Activities	<u>(182,197)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received from State and Federal Reimbursements	<u>151,228</u>
Net Cash Provided by Noncapital Financing Activities	<u>151,228</u>
Net Decrease in Cash and Cash Equivalents	(30,969)
Cash and Cash Equivalents, July 1	<u>66,318</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 35,349</u></u>
Reconciliation of Operating Loss to Net Cash Used by:	
Operating Activities:	
Operating (Loss) Used for Operating Activities	\$ (202,855)
Changes in Assets and Liabilities:	
Decrease in Interfund Accounts Receivable	(302)
Decrease in Intergovernmental Accounts Receivable	19,702
Decrease in Accounts Payable	<u>1,258</u>
Net Cash Used in Operating Activities	<u><u>\$ (182,197)</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Basis of Presentation –Basis of Accounting

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

Basis of Presentation

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

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation –Basis of Accounting (Continued)

Basis of Presentation (Continued)

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

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

The Charter School reports the following governmental funds:

General Fund: The general fund is the general operating fund of the Charter School and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the capital outlay subfund. As required by the New Jersey State Department of Education, the Charter School includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation –Basis of Accounting (Continued)

lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

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

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

Debt Service Fund: Not applicable.

The Charter School reports the following proprietary fund:

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

Additionally, the Charter School reports the following fund type:

Fiduciary, Trust and Agency Fund Types: In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No.84 – Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local government, including New Jersey school districts and their charter schools. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, or FY2020-2021. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation –Basis of Accounting (Continued)

Basis of Accounting (Continued)

(2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. After considering the criteria and guidance, it was determined that Payroll, Payroll Agency, and Unemployment Compensation Insurance (Fund 60), previously reported as fiduciary funds, that such activities are more appropriately reported in a general fund (Fund 10).

Basis of Accounting

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

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

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

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

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Budgets/Budgetary Control

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

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end. The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

Total Revenues & Expenditures (Budgetary Basis)	\$ 940,685
Adjustments:	
Less Encumbrances at June 30,2024	-
Plus Encumbrances at June 30,2023	-
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 940,685</u>

UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Encumbrances Accounting

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

Open encumbrances in governmental funds other than the special revenues fund are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the special revenue fund for which the Charter School has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

E. Assets, Liabilities, and Equity

Interfund Transactions:

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

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

Inventories:

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

Allowance for Uncollectible Accounts:

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

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Capital Assets:

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

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

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

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

Right of Use Assets

The Charter School has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Unearned Revenue:

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

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Accrued Liabilities and Long-term Obligations:

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

Net Position:

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

Fund Balance Reserves:

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

Revenues — Exchange and Nonexchange Transactions:

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

UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Revenues — Exchange and Nonexchange Transactions (Continued):

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

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

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Management Estimates:

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

Accrued Salaries and Wages:

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

F. Pensions

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

G. Impact of Recently Issued Accounting Principles

The GASB has issued the following Statement that will become effective for the Charter School for fiscal year ending June 30, 2025:

GASB No. 101, *Compensated Absences*, is effective with the fiscal year ending June 30, 2024. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the Charter School.

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2: CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes amounts in deposits, money market accounts and short-term investments with original maturities of three months or less. GASB Statement No. 40 requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments.

Category 1 includes deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 2 includes uninsured and unregistered deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 3 includes uninsured or unregistered deposits/investments held by a broker or dealer, or held by the Board's custodial bank trust department or agent but not in the Board's name. These categories are not broad representations that deposits or investments are "safe" or "unsafe".

Deposits

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

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

The market value of the collateral must equal at least 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 (N.J.S.A.18A:20-37) 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;

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

Deposits (Continued)

(2) Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase

(3) Bonds or other obligations of the charter school.

The Charter School had no investments as of June 30, 2024. Cash and cash equivalents of the Charter School consisted of the following:

	General Fund	Proprietary Fund	Fiduciary Funds	Total
Operating Account	\$ 8,916,355	\$ 35,349	\$ -	\$ 8,951,704

The carrying amount of the Board's cash and cash equivalents at June 30, 2024 was \$8,951,704 and the bank balance was \$9,108,016. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

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

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

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

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

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

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES (CONTINUED)

New Jersey Cash Management Fund

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

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

NOTE 3: RECEIVABLES

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

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

	Governmental Funds			Proprietary Fund		
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Total Business Type Activities	Total
State Aid	\$ 262,940	\$ -	\$ 262,940	\$ 201	\$ 201	\$263,141
Federal Aid	-	192,180	192,180	5,997	5,997	198,177
Gross Receivables	262,940	192,180	455,120	6,198	6,198	461,318
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Total Receivables, Net	\$ 262,940	\$ 192,180	\$ 455,120	\$ 6,198	\$ 6,198	\$461,318

NOTE 4: INTERFUND TRANSFERS AND BALANCES

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

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 191,878	\$ -
Special Revenue Fund		192,180
Proprietary Fund	302	
Fiduciary Fund		
Total	\$ 192,180	\$ 192,180

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5: CAPITAL ASSETS

In January 11, 2001, the New Jersey State Department of Education announced that effective July 1, 2001, the capitalization threshold used by Charter Schools in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the Charter School has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

There was no depreciation expense for the year ending June 30, 2024 and June 30, 2023 for Government activities and Business-type activities.

NOTE 6: RENTAL LEASE

The Charter School has recorded two right to use leased assets. The assets are right to use assets for leased equipment and leased school facility. The related leases are discussed in the Leases subsection of the Liabilities section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases. Right to use asset activity for the Primary Government for the year ended June 30, 2024, was as follows:

Leased Assets	Beginning Balance	Additions	Deductions	Ending Balance
Leased Assets Being Amortized				
Leased - Real Estate Expense	-	2,896,804	-	2,896,804
Total Leased Assets Being Amortized	-	2,896,804	-	2,896,804
Less: Accumulated Amortization				
Leased - Real Estate Expense	-	(2,896,804)	-	(2,896,804)
Total Accumulated Amortization	-	(2,896,804)	-	(2,896,804)
Total, Net of Accumulated Amortization	-	-	-	-

The Charter School is currently in a lease agreement for classroom and office space with Shiloh Baptist Church for the facilities located at 515-517 West 4th Street, Plainfield, New Jersey. The lease requires a security deposit of \$20,000. A five (5) year lease agreement was entered into commencing July 1, 2019 and ending June 30, 2024 requiring a base annual rental of \$404,644.

The Charter School entered into another lease with Saint Mary's Church for facilities located at 501-513 West Sixth Street, Plainfield, New Jersey. The lease was renewed from July 1, 2022 to June 30, 2024. A security deposit was deposited with the landlord in the amount of \$12,283. The annual rent for the period July 1, 2023 to June 30, 2024 is \$288,000.

On October 19, 2020, the Charter School entered into a lease for office space in Piscataway, NJ for a period of 3 years and 8 months with a renewal 5-year option. Total rental payments for the year for all locations amounted to \$715,728.

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7: LONG-TERM OBLIGATION

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

Maturity Analysis		Principal	Interest	Total
07/01/2023 - 06/30/2024		694,892	20,836	715,728
Total		694,892	20,836	715,728

Long-term Debt Rollforward

**NOTE 8: IMPLEMENTATION OF NEW ACCOUNTING STANDARD AND
RESTATEMENT OF NET POSITION**

In June of 2017, the GASB issued Statement no. 87, Leases. GASB Statement No.87 requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease liability and an intangible rightto-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB Statement No. 87 were effective for reporting periods beginning after June 15, 2021. The School adopted GASB Statement No. 87 effective July 1, 2023. The implementation of GASB Statement No. 87 required retrospective application to prior periods resulting in the restatement of net position and fund balance as of the beginning of the year.

NOTE 9: PENSION PLANS

Substantially all the Board's employees participate in one of the two contributory, defined benefit public employee 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. Public Employees' Retirement System (PERS)

Plan Description

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

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

Tier	Descriptions
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008, 2010 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 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 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 with 30 more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age of which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 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.

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratios of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Allocation Methodology and Reconciliation to Financial Statements (Continued)

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group as of June 30, 2024 in the schedule of employer allocations are applied to amounts presented in the schedule of pension amounts by employer. The allocation percentages for each group as of June 30, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2024.

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. For fiscal year 2023, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of 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.

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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.

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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

At June 30, 2024, the Charter School reported a liability of \$ 1,630,345 for its proportionate share of the net pension liability. The net pension liability, was measured as June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2023 which was rolled forward to June 30, 2024. 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, 2024, the Charter School's proportion was 0.01125589%, which was an decrease of -0.00326965% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2023, the Charter School recognized pension expense of \$ 183,174 . At June 30, 2023, the Charter School reported deferred outflows of resources and deferred related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 3,582	\$ 98,806
Difference Between Expected and Actual Experience	7,508	6,664
Changes in Proportion	228,960	440,900.00
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	15,588	-
	<u>\$ 255,638</u>	<u>\$ 546,370</u>

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

Fiscal Year Ending June 30,	Total
2024	\$ (317,607.24)
2025	(177,276)
2026	247,732
2027	(44,334)
2028	754
	<u>\$ (290,732)</u>

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 01, 2023 which was rolled forward to June 30, 2024. 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%
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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, 2024) 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:

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Long Term Expected Rate of Return (Continued)

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Assets	3.00%	8.40%
Real Estate	8.00%	8.58%
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.

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:

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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

Measurement Date June 30, 2023			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 2,140,255	\$ 1,644,090	\$ 1,221,788
Measurement Date June 30, 2022			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 2,840,061	\$ 2,210,668	\$ 1,675,030

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. Teacher's Pension Annuity Fund (TPAF)

Pension Description

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible 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 Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefit 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:

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9: PENSION PLANS (CONTINUED)

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

Benefit Provided (Continued)

Tier	Descriptions
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008, 2010 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.

Allocation Methodology

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows in resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and non-employer are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9: PENSION PLANS (CONTINUED)

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

Allocation Methodology (Continued)

ended June 30, 2021 measurement date. Employer and non-employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and non-employer may result in immaterial differences.

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 included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2023 measurement date, the State's pension contribution was less 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 to the TPAF for normal pension benefits on behalf of the Charter School, which is less than the contractually required contribution of \$ 94,711 .

At June 30, 2024, the State's proportionate share of the net pension liability associated with the CharterSchool was \$ 314,763 . The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2023 which was rolled forward to June 30, 2024 . 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, 2024, Charter School's proportion was 0.0075543845% , which was an increase of 0.0005866% from its proportion measured as of June 30, 2023.

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9: PENSION PLANS (CONTINUED)

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

Special Funding Situations (Continued)

Charter School's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Charter School	<u>3,855,204</u>
Total	<u>\$ 3,855,204</u>

For the fiscal year ended June 30, 2024, the State recognized pension expense on behalf of the Charter School in the amount of \$ 94,711 and the Charter School recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 1,278,925,078	\$ 14,657,999,241
Difference Between Expected and Actual Experience	658,340,412	83,374,071
Changes in Proportion and differences between employer contributions and proportionate share of contributions	88,832,162	88,832,161
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>476,283,186</u>	<u>-</u>
	<u>\$ 2,502,380,838</u>	<u>\$ 14,830,205,473</u>

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:

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9: PENSION PLANS (CONTINUED)

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

Special Funding Situations (Continued)

Fiscal Year Ending June 30,	Total
2023	\$ (3,918,676,894)
2024	(3,446,016,070)
2025	(1,604,289,401)
2026	(1,742,641,843)
2027	(1,672,806,952)
Thereafter	56,606,524
	<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 June 30, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wages	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 July 01, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9: PENSION PLANS (CONTINUED)

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

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, 2024) 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Assets	3.00%	8.40%
Real Estate	8.00%	8.58%
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, 2024. 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.

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9: PENSION PLANS (CONTINUED)

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

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

The following presents the net pension liability of the State as of June 30, 2024 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:

Measurement Date June 30, 2023			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 4,552,870	\$ 3,861,043	\$ 3,278,360

Measurement Date June 30, 2022			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 4,221,903	\$ 3,600,705	\$ 3,077,424

Pension Plan Fiduciary Net Position – TPAF

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.

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9: PENSION PLANS (CONTINUED)

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

Defined Contribution Retirement Program (DCRP) (Continued)

For DCRP, the Charter School recognized no pension expense for the fiscal year ended June 30, 2024. There were no employee contributions to DCRP for the fiscal year ended June 30, 2024.

NOTE 10: POST-RETIREMENT MEDICAL BENEFITS

General Information About the OPEB Plan

Plan Descriptions 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 postemployment (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.

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10: POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)

General Information About the OPEB Plan (Continued)

Plan Descriptions and Benefits Provided (Continued)

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

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 Team

At June 30, 2023 the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted for the following members:

The plan membership consisted of the following at June 30, 2022							
Active plan member							217,212
Inactive plan members or beneficiaries currently receiving benefits							152,383
Inactive plan members entitled to but not yet receiving benefit payments							-
Total							369,595

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024.

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10: POST-RETIREMENT MEDICAL BENEFITS (CONTINUED)

General Information About the OPEB Plan (Continued)

Actuarial Assumption and Other Inputs

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

Inflation Rate	2.50%			
		TPAF/ABP	PERS	PFRS
Salary Increases				
Through 2026		2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%
		based on service	based on service	based on service
		years	years	years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2024. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2024. 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-2024.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2015- June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013- June 30, 2018 for TPAF, PERS, and PFRS, respectively.

Health Care Trend Assumptions

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

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10: POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

General Information About the OPEB Plan (Continued)

Actuarial Assumption and Other Inputs (Continued)

Discount rate

The discount rate for June 30, 2023 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

					Total OPEB Liability
Balance at June 30, 2023					\$ 2,578,657
Service cost					338,311
Interest on Total OPEB Liability					87,140
Effect on Changes of Benefit Terms					-
Difference between expected and actual experience					(469,155)
Effect of Changes of Assumptions					4,987
Effect of Changes of Proportion					-
Contributions - Employee					2,233
Gross Benefits Paid by the State					(67,927)
	Net Changes				(104,411)
Balance at June 30, 2024					2,474,246

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

The following presents the total nonemployer OPEB liability as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Measurement Date Ended June 30, 2023		
	At 1%	At current	At 1%
	Decrease (2.65%)	discount rate (3.65%)	Increase (4.65%)
Total OPEB Liability	\$ 2,900,629	\$ 2,474,246	\$ 2,131,910

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10: POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

General Information About the OPEB Plan (Continued)

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

The following presents the total nonemployer OPEB liability as of June 30, 2023 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	Measurement Date Ended June 30, 2023			
	At 1%			At 1%
	decrease		Trend Rate	Increase
Total OPEB Liability	\$ 2,054,006	\$	2,474,246	\$ 3,024,132

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

For the fiscal year ended June 30, 2024 the Charter School recognized OPEB revenue and expense of 232,476 in the government-wide financial statements for the State's proportionate share of the OPEB Plan's OPEB expenses, associated with the Charter School. This expense and revenue was based on the OPEB Plan's June 30, 2024 measurement date.

In accordance with GASB Statement 75, as the Charter School's proportionate share of the OPEB liability \$ 232,476 , there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At the measurement date of June 30, 2024 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between Actual and Expected Experience	\$ 360,999.59	\$ (651,692)
Net Difference between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumption Changes	\$ 351,841	(682,803)
Sub Total	712,840	(1,334,495)
Contributions Made in Fiscal Year 2022 after Measurement Date June 30, 2021	N/A	N/A
Total	712,840	(1,334,495)

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10: POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

General Information About the OPEB Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amount reported as deferred outflows of resources and deferred inflows of resources related OPEB would be recognized in OPEB expense as follows:

Measurement Period Ending June 30	
2023	\$ (123,388)
2024	\$ (123,388)
2025	\$ (107,242)
2026	\$ (63,226)
2027	\$ (12,942)
Total Thereafter	\$ (191,469)
	\$ (621,655)

Special Funding Situation

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

NOTE 11: RISK MANAGEMENT

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

Property and Liability Insurance

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

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12: FUND BALANCE APPROPRIATED

General Fund

The General Fund balance of \$9,160,250 in the fund financial statements at June 30, 2024 is unassigned and undesignated

NOTE 13: SUBSEQUENT EVENTS

Subsequent events were evaluated through December 20, 2024, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULES

UNION COUNTY TEAMS CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Equalization Aid-Local Share	\$ 823,495	\$ -	\$ 823,495	\$ 823,495	\$ -
Total Local Sources	823,495	-	823,495	823,495	-
Categorical Aid:					
Equalization Aid-State Share	6,204,465	(1,516,917)	4,687,548	4,692,903	5,355
Special Education Categorical Aid	181,762	(176,407)	5,355	106,644	101,289
Security Aid	205,929	(49,501)	156,428	156,428	-
Total Categorical Aid	6,592,156	(1,742,825)	4,849,331	4,955,975	106,644
Other Sources:					
Interest Income				823	823
Miscellaneous Revenue				109,121	109,121
On-Behalf TPAF Pension Contributions (Non-Budgeted)				268,159	268,159
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)				72,983	72,983
On-Behalf TPAF Long Term Disability Contributions (Non-Budgeted)				238	238
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				52,584	52,584
Total Other Sources	-	-	-	503,908	503,908
Total Revenues	7,415,651	(1,742,825)	5,672,826	6,283,378	610,552
EXPENDITURES:					
Instruction:					
Salaries of Teachers	2,326,058	(423,778)	1,902,280	1,221,405	680,875
Purchased Prof/Tech Services	95,000	109,453	204,453	172,340	32,113
Other Purchased Services	409,000	116,418	525,418	466,436	58,982
General Supplies	175,000	57,578	232,578	72,456	160,122
Miscellaneous	6,000	-	6,000	2,889	3,111
Total Instruction	3,011,058	(140,329)	2,870,729	1,935,526	935,203
Administration:					
Salaries of Principals	415,923	-	415,923	291,282	124,641
Salaries of Other Professional Staff	146,922	6,740	153,662	110,352	43,310
Salaries of Secretarial/Clerical Assistants	133,469	3,153	136,622	136,622	-
Total Benefits Cost	737,000	(23,000)	714,000	600,540	113,460
Other Purchased Professional Services	363,083	30,552	393,635	295,814	97,821
Other Purchased Services	71,350	4,397	75,747	64,173	11,574
Communications/Telephone	160,500	-	160,500	61,185	99,315
Supplies and Materials	75,000	-	75,000	62,452	12,548
Miscellaneous Expenses	21,000	6,500	27,500	21,757	5,743
Total Administration	2,124,247	28,342	2,152,589	1,644,177	508,412

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

UNION COUNTY TEAMS CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
(Continued From Prior Page)					
Support Services:					
Purchased Prof/Ed Services	\$ 34,000	\$ -	\$ 34,000	\$ 26,530	\$ 7,470
Rental of Land and Buildings	788,418	30	788,448	72,694	715,754
Debt Service - Principal and Interest	-	-	-	715,728	(715,728)
Transportation-Other Than To/From School	25,000	15,342	40,342	37,958	2,384
Insurance for Property, Liability and Fidelity	74,000	2,267	76,267	64,226	12,041
Supplies and Materials	36,500	-	36,500	27,258	9,242
Energy Costs (Heat and Electricity)	23,500	-	23,500	17,219	6,281
Miscellaneous Expenses	93,237	107,288	200,525	176,569	23,956
Total Support Services	1,074,655	124,927	1,199,582	1,138,182	61,400
Capital Outlay:					
Lease Purchase Agreements-Principal	-	-	-	662,824	(662,824)
Total Capital Outlay	-	-	-	662,824	(662,824)
On-Behalf TPAF Pension Contributions (Non-Budgeted)				268,159	(268,159)
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)				72,983	(72,983)
On-Behalf TPAF Long-Term Disability (Non-Budgeted)				238	(238)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				52,584	(52,584)
Total Expenditures	6,209,960	12,940	6,222,900	5,774,673	521,448
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,205,691	(1,755,765)	(550,074)	508,705	1,058,779
OTHER FINANCING SOURCES (USES)					
Lease Liabilities Issued			-	694,892	(694,892)
Total Other Financing Sources (Uses)	-	-	-	694,892	(694,892)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	1,205,691	(1,755,765)	(550,074)	1,203,597	363,887
FUND BALANCE, JULY 1	7,988,721		7,988,721	7,988,721	-
PRIOR PERIOD ADJUSTMENT				(32,068)	32,068
FUND BALANCE, JULY 1, RESTATED	7,988,721	-	7,988,721	7,956,653	32,068
FUND BALANCE, JUNE 30	<u>\$ 9,194,412</u>	<u>\$ (1,755,765)</u>	<u>\$ 7,438,647</u>	<u>\$ 9,160,250</u>	<u>\$ 363,887</u>
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures: Budgeted Fund Balance	<u>\$ 9,194,412</u>	<u>\$ (1,755,765)</u>	<u>\$ 7,438,647</u>	<u>\$ 9,160,250</u>	<u>\$ 1,721,603</u>
Total	<u>\$ 9,194,412</u>	<u>\$ (1,755,765)</u>	<u>\$ 7,438,647</u>	<u>\$ 9,160,250</u>	<u>\$ 1,721,603</u>

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

UNION COUNTY TEAMS CHARTER SCHOOL
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Federal	\$ 927,105	\$ 13,580	\$ 940,685	\$ 940,685	\$ -
Total Revenues	927,105	13,580	940,685	940,685	-
EXPENDITURES:					
Instruction:					
Salaries	630,478	(217,915)	412,563	412,563	-
Purchased Prof/Tech Services	70,000	(59,969)	10,031	10,031	-
Other Purchased Services	-	9,000	9,000	9,000	-
General Supplies	25,470	142,475	167,945	167,945	-
Total Instruction	725,948	(126,409)	599,539	599,539	-
Support Services:			-		
Salaries	-	-	-	-	-
Personal Services - Employee Benefits	179,146	46,424	225,570	225,570	-
Purchased Technical Services	22,000	91,032	113,032	113,032	-
Supplies and Materials	-	2,544	2,544	2,544	-
Total Support Services	201,157	139,989	341,146	341,146	-
Total Expenditures	927,105	13,580	940,685	940,685	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

UNION COUNTY TEAMS CHARTER SCHOOL
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
Fiscal Year Ended June 30, 2024

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

	General Fund		Special Revenue Fund
Sources/Inflows of Resources			
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] 6,283,378	[C-2]	\$ 940,685
 Difference - Budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized			-
 Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ 6,283,378	[B-2]	\$ 940,685
 Uses/Outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] 5,774,673	[C-2]	\$ 940,685
 Differences - Budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.			-
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 5,774,673	[B-2]	\$ 940,685

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

UNION COUNTY TEAMS CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2022	2023	2024
Charter School's proportion of the net pension liability	0.012972410%	0.014525537%	0.011255887%
Charter School's proportionate share of the net pension liability	\$ 1,536,776	\$ 2,192,104	\$ 1,630,345
Charter School's employees payroll (plan measurement period)	N/A	N/A	\$ 1,013,984
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	N/A	N/A	161%
Plan fiduciary net position as a percentage of the total pension liability	51.52%	62.91%	53.31%

UNION COUNTY TEAMS CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE CHARTER SCHOOL CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2022	2023	2024
Contractually required contribution	\$ 151,922	\$ 63,189	\$ 94,711
Contributions in relation to the contractually required contribution	(151,922)	(63,189)	(94,711)
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Charter School's covered employee payroll (Fiscal Year)	N/A	N/A	\$ 1,013,984
Contributions as a percentage of covered employee payroll	N/A	N/A	9.34%

UNION COUNTY TEAMS CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER'S PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2022	2023	2024
State's proportion of the net pension liability attributable of the Charter School	N/A	0.00696777%	0.00755438%
State's proportionate share of the net pension liability attributable to the Charter School	N/A	\$ 3,594,980	\$ 3,855,204
Charter School's covered employees payroll	N/A	N/A	\$ 694,944
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	N/A	N/A	554.75%
Plan fiduciary net position as a percentage of the total pension liability	51.52%	35.52%	53.08%

**SCHEDULE M - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Union County TEAMS Charter School
Required Supplementary Information Schedules
Schedule of Changes in the Charter School's Net OPEB Liability and Related Ratios
Last Two Fiscal Years
(Unaudited)

	Measurement Date Ending	
	June 30, 2023	June 30, 2024
Total Non-Employer OPEB Liability- States's Proportionate Share of the Total OPEB Liability Associated with the Charter School		
OPEB Liability at Beginning of Measurement Period		\$ 2,578,657
Service cost		338,311
Interest on Total OPEB Liability		87,140
Effect on Changes of Benefit Terms	NOT AVAILABLE	-
Difference between expected and actual experience		(469,155)
Effect of Changes of Assumptions		4,987
Contributions - Employee		2,233
Gross Benefits Paid by the State		(67,927)
Net Change in Total OPEB Liability	NOT AVAILABLE	(104,411)
OPEB Liability at Beginning of Measurement Period		2,578,657
Total OPEB Liability at End of Measurement Period	2,578,657	2,474,246

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule:

Update in census information	\$ (303,903,385)
Premium and Claims Experience	(676,521,478)
Total	\$ (980,424,863)

Changes in Assumptions:

The \$105,539,463 decrease in the liability from June 30, 2022 to June 30, 2023 is due to the combined effect of the following:

Trend Update	\$ 1,002,445,292
Experience Study Update	
Discount Rate Change	\$ (896,905,829)
Total Changes in Assumption	\$ 105,539,463
Total Changes in Assumption	\$ (13,586,368,097)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III

UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR FISCAL YEAR ENDED JUNE 30, 2024

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 7.00% as of June 30, 2022 to 7.00 % as of June 30, 2023 in accordance with Paragraph 44 of GASB Statement No. 67.

UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHER'S PENSION AND ANNUITY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2016

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 7.00% as of June 30, 2022 to 7.00% as of June 30, 2023 in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

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

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

UNION COUNTY TEAMS CHARTER SCHOOL

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

	Title I	Title II Part A	Title IV	I.D.E.A. Part B	ARP ESSER GRANT	CRRSA II Grants	Grand Total
REVENUE SOURCES:							
Federal	\$ 128,631	\$ 14,216	\$ 10,448	\$ 83,951	\$ 676,376	\$ 27,063	\$ 940,685
Total Revenues	128,631	14,216	10,448	83,951	676,376	27,063	940,685
EXPENDITURES:							
Instruction:							
Salaries	77,063	8,000	-	50,000	277,500	-	412,563
Purchased Prof/Tech Services	-	-	-	-	-	10,031	10,031
Other Purchased Services	-	-	9,000	-	-	-	9,000
General Supplies	2,248	-	-	1,951	163,746	-	167,945
Total Instruction	79,311	8,000	9,000	51,951	441,246	10,031	599,539
Support Services:							
Personal Services - Employee Benefits	49,320	5,120	-	32,000	139,130	-	225,570
Other Purchased Prof/Tech Services	-	-	-	-	96,000	17,032	113,032
Supplies and Materials	-	1,096	1,448	-	-	-	2,544
Total Support Services	49,320	6,216	1,448	32,000	235,130	17,032	341,146
Total Expenditures	128,631	14,216	10,448	83,951	676,376	27,063	940,685
Excess (Deficiency) of Revenues Over (Under)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures and Other Financing Sources (Uses)							

**SECTION G – PROPRIETARY FUND
DETAIL STATEMENTS**

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

Food Services Fund – The fund provides for the operation of food services within the Charter School.

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

STATISTICAL SECTION

(UNAUDITED)

GASB requires that ten years of statistical data be presented. State law usually grants charters for less than ten years. Therefore, only statistical data for ten (10) years is available and has been presented. Each year thereafter, an additional year's data will be included until ten years.

Contents

Financial Trends

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

Revenue Capacity (Not Applicable to Charter School)

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.*

FINANCIAL TRENDS

UNION COUNTY TEAMS CHARTER SCHOOL

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities										
Unassigned	\$ 6,871,550	\$ 6,000,341	\$ 4,488,691	\$ 2,997,583	\$ 1,640,865	\$ 1,084,525	\$ 556,470	\$ 177,548	\$ 87,875	\$ (212,674)
Total Governmental Activities Net Assets/Position (Deficit)	\$ 6,871,550	\$ 6,000,341	\$ 4,488,691	\$ 2,997,583	\$ 1,640,865	\$ 1,084,525	\$ 556,470	\$ 177,548	\$ 87,875	\$ (212,674)
Business-Type Activities										
Unassigned	\$ 8,471	\$ 60,098	\$ 71,758	\$ 818	\$ 21,730	\$ 33,738	\$ 27,377	\$ 23,149	\$ 25,039	\$ 25,039
Total Business-Type Activities Net Position	\$ 8,471	\$ 60,098	\$ 71,758	\$ 818	\$ 21,730	\$ 33,738	\$ 27,377	\$ 23,149	\$ 25,039	\$ 25,039
Charter School-wide										
Unassigned	\$ 6,880,021	\$ 6,060,439	\$ 4,560,449	\$ 2,998,401	\$ 1,662,595	\$ 1,118,263	\$ 583,847	\$ 200,697	\$ 112,914	\$ (187,635)
Total Charter School Net Position (Deficit)	\$ 6,880,021	\$ 6,060,439	\$ 4,560,449	\$ 2,998,401	\$ 1,662,595	\$ 1,118,263	\$ 583,847	\$ 200,697	\$ 112,914	\$ (187,635)

Source: Annual Comprehensive Financial Report

UNION COUNTY TEAMS CHARTER SCHOOL
Changes in Net Position
Last Ten Fiscal Years
Unaudited

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental Activities:										
Instruction	\$ 3,225,364	\$ 2,936,109	\$ 2,586,947	\$ 2,927,976	\$ 3,060,356	\$ 3,394,725	\$ 3,051,826	\$ 3,011,866	\$ 2,709,810	\$ 2,338,017
Administration	1,914,188	1,117,687	1,068,666	1,179,332	1,365,961	1,282,327	1,179,646	1,693,155	1,593,428	1,515,284
Support Services	737,070	1,435,833	1,281,054	1,038,581	1,079,145	1,108,309	1,177,984	884,140	888,248	856,053
Capital Outlay		270,229	517,048	484,455	406,778	406,778	513,043	-	-	-
Interest Expense	20,836									
Unallocated Amortization	655,804									
Total Governmental Activities Expenses	<u>\$ 6,553,262</u>	<u>\$ 5,759,858</u>	<u>\$ 5,453,715</u>	<u>\$ 5,630,344</u>	<u>\$ 5,912,240</u>	<u>\$ 6,192,139</u>	<u>\$ 5,922,499</u>	<u>\$ 5,589,161</u>	<u>\$ 5,191,486</u>	<u>\$ 4,709,354</u>
Business-Type Activities:										
Food Service and After School										
Total Business-Type Activities Expenses	211,566	193,002	163,997	144,378	143,864	190,883	182,974	193,415	199,877	210,824
Total Charter School Expenses	<u>\$ 6,764,828</u>	<u>\$ 5,952,860</u>	<u>\$ 5,617,712</u>	<u>\$ 5,774,722</u>	<u>\$ 6,056,104</u>	<u>\$ 6,383,022</u>	<u>\$ 6,105,473</u>	<u>\$ 5,782,576</u>	<u>\$ 5,391,363</u>	<u>\$ 4,920,178</u>
Program Revenues										
Governmental Activities:										
Operating Grants and Contributions	\$ 156,428	\$ 405,662	\$ 665,915	\$ 656,527	\$ 565,817	\$ 608,523	\$ 613,724	\$ 95,183	\$ 106,548	\$ 92,506
Total Governmental Activities Expenses	<u>\$ 156,428</u>	<u>\$ 405,662</u>	<u>\$ 665,915</u>	<u>\$ 656,527</u>	<u>\$ 565,817</u>	<u>\$ 608,523</u>	<u>\$ 613,724</u>	<u>\$ 95,183</u>	<u>\$ 106,548</u>	<u>\$ 92,506</u>
Business-Type Activities:										
Charges for Services	8,711	7,953.00	-	476.00	14,278.00	26,053.00	23,622.00	22,529.00	24,396	11,154
Operating Grants and Contributions	151,228	173,389	234,937	122,990	117,578	171,191	163,580	188,996	152,293	155,442
Total Business-Type Activities Expenses	<u>\$ 159,939</u>	<u>\$ 181,342</u>	<u>\$ 234,937</u>	<u>\$ 123,466</u>	<u>\$ 131,856</u>	<u>\$ 197,244</u>	<u>\$ 187,202</u>	<u>\$ 191,525</u>	<u>\$ 176,689</u>	<u>\$ 166,596</u>
Total Charter School Program Revenues	<u>\$ 316,367</u>	<u>\$ 587,004</u>	<u>\$ 900,852</u>	<u>\$ 779,993</u>	<u>\$ 697,673</u>	<u>\$ 805,767</u>	<u>\$ 800,926</u>	<u>\$ 286,708</u>	<u>\$ 283,237</u>	<u>\$ 259,102</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (6,396,834)	\$ (5,354,196)	\$ (4,787,800)	\$ (4,973,817)	\$ (5,346,423)	\$ (5,583,616)	\$ (5,308,775)	\$ (5,493,978)	\$ (5,084,938)	\$ (4,616,848)
Business-Type Activities	(51,627)	(11,660)	70,940	(20,912)	(12,008)	6,361	4,228	(1,890)	(23,188)	(44,228)
Total Charter School-wide Net Expense	<u>\$ (6,448,461)</u>	<u>\$ (5,365,856)</u>	<u>\$ (4,716,860)</u>	<u>\$ (4,994,729)</u>	<u>\$ (5,358,431)</u>	<u>\$ (5,577,255)</u>	<u>\$ (5,304,547)</u>	<u>\$ (5,495,868)</u>	<u>\$ (5,108,126)</u>	<u>\$ (4,661,076)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
General Purposes	\$ 823,495	\$ 851,122	\$ 959,295	\$ 867,752	\$ 906,753	\$ 1,005,635	\$ 1,059,745	\$ 998,136	\$ 981,154	\$ 920,540
Federal and State Aid Not Restricted	6,366,672	5,951,439	5,315,576	5,458,503	4,993,516	5,097,587	4,603,936	4,581,296	4,399,033	3,667,261
Investment Earnings	823	770	354	417	402	5,692	3,216	1,676	726	819
Miscellaneous Income	109,121	62,515	3,483	3,963	2,092	2,757	2,900	2,543	4,574	13,439
Total Governmental Activities	<u>\$ 7,300,111</u>	<u>\$ 6,865,846</u>	<u>\$ 6,278,908</u>	<u>\$ 6,330,635</u>	<u>\$ 5,902,763</u>	<u>\$ 6,111,671</u>	<u>\$ 5,669,697</u>	<u>\$ 5,583,651</u>	<u>\$ 5,385,487</u>	<u>\$ 4,602,059</u>
Business-Type Activities:										
Miscellaneous Revenue	-	-	-	-	-	-	-	-	23,188	43,913
Total Business-Type Activities	<u>\$ 7,300,111</u>	<u>\$ 6,865,846</u>	<u>\$ 6,278,908</u>	<u>\$ 6,330,635</u>	<u>\$ 5,902,763</u>	<u>\$ 6,111,671</u>	<u>\$ 5,669,697</u>	<u>\$ 5,583,651</u>	<u>\$ 5,408,675</u>	<u>\$ 4,645,972</u>
Change in Net Position (Deficit)										
Governmental Activities	\$ 903,277	\$ 1,511,650	\$ 1,491,108	\$ 1,356,818	\$ 556,340	\$ 528,055	\$ 360,922	\$ 89,673	\$ 300,549	\$ (14,769)
Business-Type Activities	(51,627)	(11,660)	70,940	(20,912)	(12,008)	6,361	4,228	(1,890)	-	(315)
Total Charter School	<u>\$ 851,650</u>	<u>\$ 1,499,990</u>	<u>\$ 1,562,048</u>	<u>\$ 1,335,906</u>	<u>\$ 544,332</u>	<u>\$ 534,416</u>	<u>\$ 365,150</u>	<u>\$ 87,783</u>	<u>\$ 300,549</u>	<u>\$ (15,104)</u>

Source: Annual Comprehensive Financial Report

UNION COUNTY TEAMS CHARTER SCHOOL

Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Unaudited

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Unassigned	\$ 9,160,250	\$ 7,988,721	\$ 6,575,235	\$ 5,252,003	\$ 3,700,375	\$ 2,878,798	\$ 2,091,894	\$ 1,526,803	\$ 1,098,202	\$ 668,953
Total General Fund	\$ 9,160,250	\$ 7,988,721	\$ 6,575,235	\$ 5,252,003	\$ 3,700,375	\$ 2,878,798	\$ 2,091,894	\$ 1,526,803	\$ 1,098,202	\$ 668,953

Source: Annual Comprehensive Financial Report

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

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Local Sources:										
Local Tax Levy	\$ 823,495	\$ 851,122	\$ 959,295	\$ 867,752	\$ 906,753	\$ 1,005,635	\$ 1,059,745	\$ 998,136	\$ 981,154	\$ 920,540
Interest In Investments	823	770	554	417	402	5,692	3,216	1,676	726	819
Miscellaneous	109,121	62,515	3,483	3,963	2,092	2,757	2,900	2,543	4,574	13,439
State Sources	5,349,939	5,193,339	5,010,671	5,173,278	4,914,774	5,050,212	4,484,834	4,452,686	4,295,438	3,582,411
Federal Sources	940,685	893,533	453,772	457,297	237,781	249,120	237,683	223,793	210,143	177,356
Other Sources	694,892	-	-	-	-	-	-	-	-	-
Total Revenues	7,918,955	7,001,279	6,427,775	6,502,707	6,061,802	6,313,416	5,788,378	5,678,834	5,492,035	4,694,565
Expenditures:										
Instruction	2,535,065	2,083,254	1,823,106	1,883,038	2,146,626	2,469,172	2,287,377	2,232,155	2,159,471	1,962,370
Administration	2,038,141	1,936,806	1,957,662	1,997,200	1,961,901	1,894,949	1,710,332	2,133,938	2,015,067	1,837,244
Support Services	1,479,328	1,567,733	1,323,775	1,070,841	1,131,698	1,162,391	1,225,578	884,140	888,248	856,053
Capital Outlay	662,824	-	-	-	-	-	-	-	-	-
Total Expenditures	6,715,358	5,587,793	5,104,543	4,951,079	5,240,225	5,526,512	5,223,287	5,250,233	5,062,786	4,655,667
Net Change in Fund Balance	\$ 1,203,597	\$ 1,413,486	\$ 1,323,232	\$ 1,551,628	\$ 821,577	\$ 786,904	\$ 565,091	\$ 428,601	\$ 429,249	\$ 38,898

Source: Annual Comprehensive Financial Report

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

Fiscal Year Ending June 30,	Interest	Miscellaneous Revenue	Total
2024	\$ 823	\$ 109,121	\$ 109,944
2023	770	62,565	63,335
2022	554	3,483	4,037
2021	417	3,963	4,380
2020	402	2,092	2,494
2019	5,692	2,757	8,449
2018	3,216	2,900	6,116
2017	1,676	2,543	4,219
2016	726	4,574	5,300
2015	819	13,439	14,258

Source: Charter School records

OPERATING INFORMATION

UNION COUNTY TEAMS CHARTER SCHOOL
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction	28	29	24	30	36	36	36	35	43	45
Administrative	9	10	10	6	6	6	6	7	5	7
Support Services	4	3	3	3	5	5	5	5	6	4
Food Service	-	-	-	-	-	-	-	-	-	2
Total	41	42	37	39	47	47	47	47	54	58

Source: Charter School's Records

UNION COUNTY TEAMS CHARTER SCHOOL
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil / Teacher Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percent Change in Average Daily Enrollment	Student Attendance Percentage
2024	318	\$ 6,052,534	\$ 19,033.13	11.72%	28	11.36	318.4	305	-2.89%	95.79%
2023	328	5,587,793	17,036	18.81%	29	11.31	327.6	308.0	-8.55%	94.02%
2022	356	5,104,543	14,339	14.68%	24	19:55	355.6	327.9	-11.28%	92.21%
2021	396	4,951,079	12,503	-6.23%	30	4:48	395.7	372.0	1.34%	94.01%
2020	393	5,240,225	13,334	-6.87%	36	10.9:2	390.4	0.0	100.00%	0.00%
2019	386	5,526,512	14,317	5.81%	36	10.7:1	-	-	-	-
2018	386	5,223,287	13,532	-0.51%	36	10.7:1	-	-	-	-
2017	386	5,250,233	13,602	0.48%	35	11.02:1	385.5	363.0	2.08%	94.16%
2016	374	5,062,786	13,537	-2.30%	43	8.7:1	377.5	378.0	10.94%	100.13%
2015	336	4,655,667	13,856	-9.41%	45	10:01	336.2	324.1	8.06%	96.40%

Source: Charter School's Records

2023-24 SCHEDULE OF INSURANCE
for Union County Teams Charter School

<u>COVERAGE</u>	<u>LIMITS</u>	<u>SUMMARY</u>
<u>Package</u> NJSIG E984AE 07/01/2023-07/01/2024 \$18,174	Covered Location	515-517 West 4 th Street, Plainfield NJ 07062 501-513 West 6 th Street, Plainfield NJ 07062 242 Old New Brunswick Road, Suite 414, Piscataway NJ 08859
<u>Property</u>	\$500,000 \$120,000 \$250,000 \$300,000 \$20,000 \$5,000 \$500,000	Business Personal Property-Replacement Cost w/\$1,000 Ded (515-517 W 4 th) Business Personal Property-Replacement Cost w/\$1,000 Ded (501-513 W 6 th) Business Personal Property-Replacement Cost w/\$1,000 Ded (242 Old NB) EDP Equipment and Media (Computers) w/\$1,000 Ded (515-517 w 4 th) EDP Equipment and Media (Computers) w/\$1,000 Ded (501-513 W 6 th) EDP Equipment and Media (Computers) w/\$1,000 Ded (242 Old NB) Business Personal Property-Replacement Cost w/\$1,000 Ded (515-517 W 4 th)
<u>Crime</u>	\$50,000 \$25,000 \$10,000 \$10,000 \$10,000 \$159,000 \$159,000	Faithful Performance w/ \$500 Deductible Forgery & Alteration w/ \$500 Deductible Money & Securities w/ \$500 Deductible Money Orders/Counterfeit w/ \$500 Deductible Computer Fraud w/ \$500 Deductible Board Treasurer w/ \$1,000 Deductible (E. Johnson) Board Secretary/BA w/ \$1,000 Deductible (O. Richardson)
<u>General Liability</u>	\$11,000,000 \$11,000,000 \$11,000,000 \$11,000,000 \$1,000,000 \$5,000	Single Limit for Bodily Injury and Property Damage Each Occurrence for Child Molestation/ Sexual Abuse Each Occurrence for Personal Injury/Advertising Injury Each Claim for Employee Benefits Liability Fire Legal Liability Premise Medical Payments Per Person
<u>Automobile Liability</u>	\$11,000,000	Hired and Non Owned Automobile Liability
<u>Student Accident</u> Berkley Life & Health Ins Co KSA L004009041709 08/31/2023--08/31/2024 \$870	\$1,000,000 \$25,000 \$10,000	Medical Benefit Amount (Full Excess) Accident Medical Excess Benefit (Gold Plan) AD&D
<u>School Leaders E&O</u> NJSIG E984AE 07/01/2023-07/01/2024 \$9,785	\$1,000,000 \$100,000 \$300,000	Coverage A Each Loss w/ \$5,000 Deductible Coverage B Each Loss w/ \$5,000 Deductible Coverage B Annual Aggregate
<u>Workers' Compensation</u> NJSIG W984AE 07/01/2023-07/01/2024 \$35,762 (\$2,874,660 Sch Prof & \$136,923) Sch Non-Prof w/1.0244 MOD)	\$3,000,000 \$3,000,000 \$3,000,000	Each Accident Each Employee Policy Limit
<u>Supplemental Indemnity</u> NJSIG 64775774 07/01/2023-07/01/2024 \$1,187	Statutory	7-Day Waiting Period

UNION COUNTY TEAMS CHARTER SCHOOL
 New Jersey Performance Framework Financial Ratios
Charter School Performance Framework Financial Indicators
 Audited Performance Indicators
 Fiscal Ratios
 Last Three Fiscal Years

	2022 Audit	2023 Audit	2024 Audit	Source
Cash	6,376,468	8,003,181	8,951,704	Audit: Exhibit A-1
Current Assets (include cash)	6,951,250	8,472,451	9,449,129	Audit: Exhibit A-1
Current Liabilities	304,257	423,632	280,408	Audit: Exhibit A-1
Total Expenses	5,617,712	5,952,860	6,553,262	Audit: Exhibit A-2
Change in Net Position	1,562,048	1,499,990	851,650	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	359.00	328.00	318.00	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	400	440	360	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	-	-	-	Auditor/Workpapers
Interest Expense	-	-	20,836	Auditor/Workpapers
Principal Payments	-	-	-	Auditor/Workpapers
Interest Payments	-	-	20,836	Auditor/Workpapers

Performance Indicators		2022	2023	2024	3 YR CUM	Calculation****	Target****
Near Term Indicators							
1a.	Current Ratio (working capital ratio)	22.85	20.00	33.70		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b.	Unrestricted days cash on hand	414.30	490.72	498.59		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c.	Enrollment Variance	90%	75%	88%	84%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.**	Default on loans or delinquent in debt payments	NO	NO	NO		Auditor	not in default
Sustainability Indicators							
2a***	3 Year Cumulative Cash Flow	1,202,049	1,626,713	948,523	3,777,285	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b	Debt Service Coverage Ratio	N/A	N/A	41.87		N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

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

Meets Standard
 Does Not Meet Standard
 Falls Far Below Standard

SINGLE AUDIT SECTION

BARRE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

INDEPENDENT AUDITOR’S REPORT

Honorable President and
Members of the Board of Trustees
Union County TEAMS Charter School
County of Union
Plainfield, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Union County TEAMS Charter School (Charter School), in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Charter School’s basic financial statements, as listed in the table of contents, and have issued our report thereon dated December 20, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter School’s internal control.

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

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


Compliance and Other Matters

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

Purpose of this Report

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


Barre & Company. CPA's
Union, New Jersey


Richard M. Barre
Licensed Public School Accountant
No. CS-01181
Barre & Company, CPA's
Union, New Jersey

December 20, 2024

BARRE & COMPANY
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM
GUIDANCE AND NEW JERSEY CIRCULAR 15-08 OMB**

Honorable President and
Members of the Board of Trustees
Union County TEAMS Charter School
County of Union
Plainfield, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Union County TEAMS Charter School's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and New Jersey Circular 15-08- OMB State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024. The Union County TEAMS Charter School's major federal and state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

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

under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the Office of School Finance, Department of Education, State of New Jersey; and New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, 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 Union County TEAMS 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 Union County TEAMS Charter Schools internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Union County TEAMS Charter School's, internal control over compliance. Accordingly, no such opinion is expressed.

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

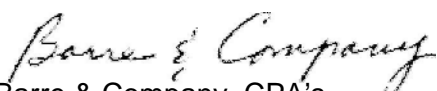
Report on Internal Control over Compliance


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

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

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

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


Barre & Company, CPA's
Union, New Jersey


Richard M. Barre
Licensed Public School Accountant
No. CS-01181
Barre & Company, CPA's
Union, New Jersey

December 20, 2024

UNION COUNTY TEAMS CHARTER SCHOOL
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2023	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment Of Prior Years Balances	Accounts Receivable	Balance at June 30, 2024 Deferred Revenue	Due to Grantor
U.S. Department of Education													
Passed-through State Department of Education													
Special Education - Individuals with Disabilities Cluster:													
No Child Left Behind Cluster:													
Title I Part A	84.010A	NCLB - 8010 - 24	\$ 128,631	7/1/23	6/30/24	\$ -	\$ -	\$ (128,631)	\$ -	\$ -	\$ (61,740)	\$ -	\$ -
Title I Part A Carryover	84.010A	NCLB - 8010 - 23	138,165	9/1/22	8/31/23	(57,670)	57,670	-	-	-	-	-	-
Title II Part A	84.367A	NCLB - 8010 - 24	14,216	9/1/23	8/31/24	(57,670)	14,216	(14,216)	-	-	(61,740)	-	-
Total No Child Left Behind Cluster							149,225	(153,295)	-	-	-	-	-
Individuals with Disabilities Cluster:													
I.D.E.A. Part B Basic	84.027	IDEA - 8010 - 24	83,951	7/1/23	6/30/24	-	40,951	(83,951)	-	-	(43,000)	-	-
I.D.E.A. Part B Basic Carryover	84.027	IDEA - 8010 - 23	86,455	9/1/22	8/31/23	(28,701)	28,701	-	-	-	(43,000)	-	-
Total Individuals with Disabilities Cluster							69,652	(83,951)	-	-	-	-	-
Other Special Revenue Funds:													
ARP ESSR Grants	84.425U	N/A	951,087	7/1/23	6/30/24	-	588,936	(676,376)	-	-	(87,440)	-	-
CRRSA ESSER II	84.425D	N/A	337,566	7/1/23	6/30/24	-	27,063	(27,063)	-	-	-	-	-
Total Other Special Revenue Funds							615,999	(703,439)	-	-	(87,440)	-	-
Total Special Revenue Fund						(86,371)	834,876	(940,685)	-	-	(192,180)	-	-
U.S. Department of Agriculture													
Passed-through State Department of Agriculture													
Enterprise Fund:													
School Breakfast Program	10.553	N/A	15,969	7/1/23	6/30/24	-	15,070	(15,969)	-	-	(899)	-	-
National School Lunch Program	10.555	N/A	128,176	7/1/23	6/30/24	-	123,077	(128,176)	-	-	(5,099)	-	-
National School Snack Program	10.558	N/A	2,285	7/1/23	6/30/24	-	2,285	(2,285)	-	-	-	-	-
National School Snack Carryover	10.558	N/A	-	7/1/22	6/30/23	-	-	-	-	-	-	-	-
Total Enterprise Fund						-	140,432	(146,430)	-	-	(5,999)	-	-
Sub-Total Federal Financial Awards						(86,371)	\$ 975,308	\$ (1,087,115)	\$ -	\$ -	\$ (198,178)	\$ -	\$ -

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

UNION COUNTY TEAMS CHARTER SCHOOL
Schedule of Expenditures of Financial Assistance
For the Fiscal Year Ended June 30, 2024

State Grant/Program Title	Grant or Subject Number	Program or Award Amount	Grant Period		Balance at June 30, 2023		Cash Received	Carryover/ (Yallow)	Due to Grantor	Adjustments/ Repayment of Prior Year's Balance	Balance at June 30, 2024		MEMO	
			From	To	Deferred Revenue Receivable	Due to Grantor					Deferred Revenue/ Unpaid Payable	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education														
General Fund:														
State Aid- Public Cluster														
Equalization Aid- State Share	24-495-034-5120-078	\$ 4,692,903	7/1/23	6/30/24	\$ -	-	\$ 4,429,963	\$ -	-	\$ -	\$ -	\$ -	\$ 262,940	\$ 4,692,903
Equalization Aid- State Share	23-495-034-5120-078	4,441,072	7/1/22	6/30/23	(96,941)		96,941							
Special Education Categorical Aid	24-495-034-5120-089	106,644	7/1/23	6/30/24			106,644			(106,644)				106,644
Special Education Categorical Aid	23-495-034-5120-089		7/1/22	6/30/23										
Special Education Categorical Aid	24-495-034-5120-084	156,428	7/1/23	6/30/24			156,428			(156,428)				156,428
Total State Aid- Public Cluster					(96,941)		4,789,976			(4,955,975)			262,940	4,955,975
On-Behalf Post-Retirement Medical Contributions	24-495-034-5094-001	72,983	7/1/23	6/30/24			72,983			(72,983)				72,983
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	288,159	7/1/23	6/30/24			288,159			(288,159)				288,159
On-Behalf TPAF Long Term Disability Insurance Contributions	24-495-034-5094-004	238	7/1/22	6/30/23			238			(238)				238
Reimbursed TPAF - Social Security	24-495-034-5094-003	52,594	7/1/23	6/30/24			52,594			(52,594)				52,594
Total General Fund					(96,941)	-	5,183,940	-	-	-	-	-	262,940	5,349,939
State Department of Agriculture														
Enterprise Fund:														
National School Breakfast Program (State Share)	24-100-010-3350-021	1,050	7/1/23	6/30/24			999			(1,050)			51	1,050
National School Breakfast Program (State Share)	23-100-010-3350-021	4,695	7/1/22	6/30/23	(980)		980				(51)			
National School Lunch Program (State Share)	24-100-010-3350-023	3,746	7/1/23	6/30/24			3,586			(3,746)			150	3,746
Total Enterprise Fund					(980)	-	5,577	-	-	-	(201)	-	201	4,798
Total All Funds					(97,921)	-	5,189,517	-	-	-	(263,141)	-	263,141	5,354,737
State Financial Assistance Not Subject to Major Program Modification:														
General Fund:														
On-Behalf Post-Retirement Medical Contributions	24-495-034-5094-001				-	-	(72,983)			-	-	-		(72,983)
On-Behalf TPAF Pension Contributions	24-495-034-5094-002				-	-	(288,159)			-	-	-		288,159
On-Behalf TPAF Long Term Disability Insurance Contributions	24-495-034-5094-004				-	-	(238)			-	-	-		238
Total General Fund					-	-	(341,380)			-	-	-	-	195,414
Total State Financial Assistance					\$ (97,921)	\$ -	\$ 4,848,137	\$ -	\$ -	\$ -	\$ (263,141)	\$ -	\$ 263,141	\$ 5,550,151

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

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2024**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 (CFR) Part 200 -*Uniform Guidance Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the audit requirements as prescribed by the *Office of School Finance, Department of Education, State of New Jersey; New Jersey Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2024**

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

	Federal	State	Total
General Fund	\$ -	\$ 5,349,939	\$ 5,349,939
Special Revenue Fund	940,685	-	940,685
Food Service Fund	146,430	4,798	151,228
Total Awards & Financial Assistance	<u>\$ 1,087,115</u>	<u>\$ 5,354,737</u>	<u>\$ 6,441,852</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. FEDERAL AND STATE LOAN OUTSTANDING

Union County TEAMS Charter School has no loan balances outstanding at June 30, 2024.

NOTE 6. OTHER

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

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

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

**UNION COUNTY TEAMS CHARTER SCHOOL
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2024**

NOTE 8. SCHOOL WIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The Charter School does not have a schoolwide program.

NOTE 9. MAJOR PROGRAMS

Major programs are identified in the summary of auditor's results section of the schedule of findings and questioned costs.

**UNION COUNTY TEAMS CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued on financial statements		<u>Unmodified</u>
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ Yes	___X___ No
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	___X___ None Reported
Noncompliance material to basic financial statements noted?	_____ Yes	___X___ No

Federal Awards Section

Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ Yes	___X___ No
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	___X___ None Reported
Type of auditors’ report issued on compliance for major programs		<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with NJ Circular 15-08 OMB?	_____ Yes	___X___ No
Identification of major state programs:		

CFDA Number(s)	Name of Federal Program or Cluster
EDUCATION ESTABILIZATION FUND	
<u>84.425U</u>	<u>ARP ESSER III</u>

Dollar threshold used to distinguish between Type A and Type B programs:		\$750,000
Auditee qualified as low-risk auditee?	___X___ Yes	_____ No

**UNION COUNTY TEAMS CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024**

Section I – Summary of Auditor’s Results

State Awards Section

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

Auditee qualified as low-risk auditee? X Yes No

Internal control over major programs:

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

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

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

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

Identification of major state programs:

GMIS Number(s)	Name of State Program
<u>24-495-034-5120-071</u>	<u>STATE AID-PUBLIC CLUSTER</u>
<u>24-495-034-5120-089</u>	<u>EQUALIZATION AID</u>
<u>24-495-034-5120-084</u>	<u>SPECIAL EDUCATION CATEGORICAL AID</u>
<u>24-495-034-5120-084</u>	<u>SECURITY AID</u>

**UNION COUNTY TEAMS CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section II – Financial Statement Findings

The section identifies the significant deficiencies, material weaknesses and fraud, non-compliance with provisions of laws, regulation, contracts, and grant agreements related to financial statements for which Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey requires.

No Current Year Findings

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

CURRENT YEAR FEDERAL AWARDS

No Current Year Findings

CURRENT YEAR STATE AWARDS

No Current Year Findings

**UNION COUNTY TEAMS CHARTER SCHOOL
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND
QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

STATUS OF PRIOR YEAR FINDINGS

This section identifies the status of prior-year findings related to the basic financial statements and federal awards and state financial assistance that are required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

FINDINGS

No Prior Year Findings.