

**SUSSEX COUNTY CHARTER SCHOOL  
FOR TECHNOLOGY**

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

**Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2022**

**Annual Comprehensive  
Financial Report**

**of the**

**SUSSEX COUNTY CHARTER SCHOOL  
FOR TECHNOLOGY**

**Sparta, New Jersey**

**For the Fiscal Year Ended June 30, 2022**

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

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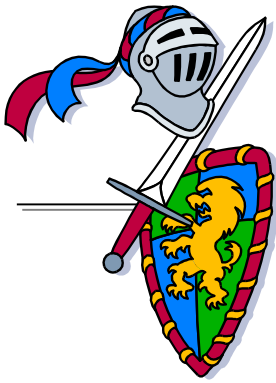
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INTRODUCTORY SECTION  
(UNAUDITED)



# SUSSEX COUNTY

## CHARTER SCHOOL FOR TECHNOLOGY

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

October 20, 2022

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

Dear Board Members:

The annual comprehensive financial report of the Sussex County Charter School for Technology (the "Charter School") for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Trustees (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

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

### 1) REPORTING ENTITY AND ITS SERVICES:

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

The Honorable President and Members  
of the Board of Trustees  
Sussex County Charter School for Technology  
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1) REPORTING ENTITY AND ITS SERVICES: (Cont'd)

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

The Charter School completed the 2021-2022 fiscal year; its nineteenth year of operation, with a maximum enrollment of 225 students.

2) ECONOMIC CONDITION AND OUTLOOK:

Enrollment at the Charter School on June 30, 2022 was 225. We maintained an almost full enrollment throughout the school year with an average enrollment of 222.5 students. The General Fund balance was \$1,751,440 on June 30, 2022.

3) MAJOR INITIATIVES:

The 2021-2022 school year brought a return of all students attending throughout the school year, the first time since February, 2020. We were met with some challenges and many successes. While we did have some students and staff need to quarantine throughout the school year, we faced those challenges successfully never needing for the school to fully go remote. We maintained academic rigor, while at the same time offering additional tutoring and support services for students that might have fallen behind as a result of the pandemic. We implemented additional methods to monitor student progress including LinkIt, which allows Charter to track student progress and provides valuable data to help individualize instruction. This year, the Board of Trustees revised the administrative team and made the Business Administrator a full time position and the Director of Curriculum and Programming became the Charter School Principal. The Board of Trustees began a major review of all the Policies and Regulations. These Policies and Regulations will be updated on the Charter website by October, 2022. The Charter School continues to use the mission and vision statement as a guiding light in all the initiatives we undertake.

4) INTERNAL ACCOUNTING CONTROLS:

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

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



4) INTERNAL ACCOUNTING CONTROLS: (Cont'd)

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

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the General, Special Revenue and Debt Service Funds. Project length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2022.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) CASH MANAGEMENT:

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

8) RISK MANAGEMENT:

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

The Honorable President and Members  
of the Board of Trustees  
Sussex County Charter School for Technology  
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9) OTHER INFORMATION:

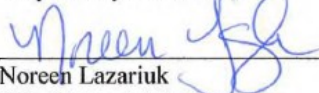
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP was selected by the Board of Trustees at its organization meeting.

In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS:

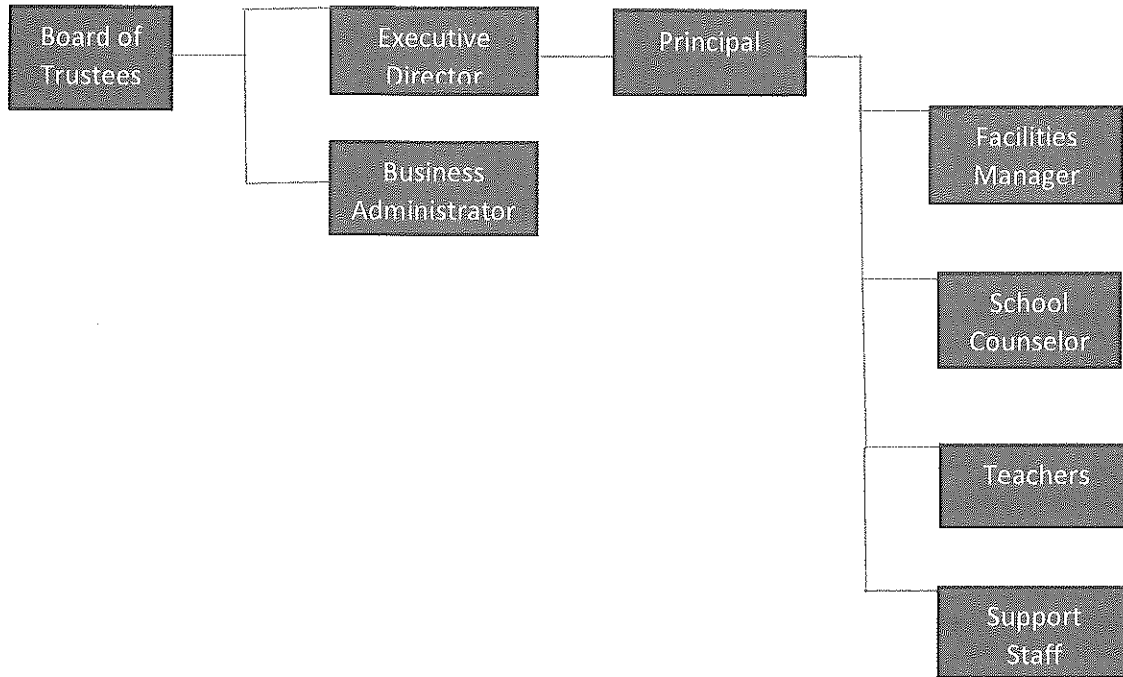
We would like to express our appreciation to the members of the Board of Trustees of the Sussex County Charter School for Technology for their concern in providing fiscal accountability to the citizens and participating districts of the Charter School and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

  
\_\_\_\_\_  
Noreen Lazariuk  
Chief School Administrator

  
\_\_\_\_\_  
Kimberly Wettstein  
Business Administrator/Board Secretary

Sussex County Charter School for Technology Organizational Chart



**SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
 ROSTER OF OFFICIALS  
 JUNE 30, 2022**

<u>Members of the Board of Trustees:</u>	<u>Expiration of Term</u>
Jason Apter, President	2024
Stephanie DePinto, Vice President	2023
Anna Burke	2025
Michael Busniak	2024
Lesa McGuinness	2024
Garrett Perconti	2024
Lou Ruggerio	2024

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

# **SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY**

Consultants and Advisors

## **Audit Firm**

### **Nisivoccia LLP**

Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mount Arlington, NJ, 07856

and

Lawrence Business Park  
11 Lawrence Road  
Newton, NJ 07860

and

140 Route 22 East, Suite 203  
Bridgewater, NJ 08807

## **Attorney**

### **Weiner Lesniak LLP**

629 Parsippany Road  
PO Box 0483  
Parsippany, NJ 07054

## **Official Depository**

### **PNC Bank**

Two Tower Center Boulevard, 21<sup>st</sup> Floor  
East Brunswick, NJ 08816

FINANCIAL SECTION

## Independent Auditors' Report

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

### **Report on the Audit of the Financial Statements**

#### ***Qualified Opinion***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Sussex County Charter School for Technology (the “Charter School”) in the County of Sussex, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise of the Charter School’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Sussex County Charter School for Technology, in the County of Sussex, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Qualified Opinion***

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Charter School, as of June 30, 2022, and the changes in financial position, and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Qualified Opinion***

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

*Matter Giving Rise to Qualified Opinion*

The District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

*Emphasis of Matter*

As discussed in Note 16 to the financial statements, the Charter School implemented GASB Statement No. 87, *Leases*, during the fiscal year ended June 30, 2022. Our opinions are not modified with respect to this matter.

*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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

*Auditor's Responsibilities for the Audit of the Financial Statements*

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



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

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

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

#### *Required Supplementary Information*

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

The Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the Charter School and Related Ratios do not contain the June 30, 2021 OPEB information as the related GASB No. 75 report for SHBP has not been released by the State as of the date of this report. This required supplementary information is required to be presented to supplement the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2022 on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Charter School's internal control over financial reporting and compliance.

October 20, 2022  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Valerie A. Dolan*  
\_\_\_\_\_  
Valerie A. Dolan  
Licensed Public School Accountant #2526  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Sussex County Charter School for Technology  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022**

This section of Sussex County Charter School for Technology's annual financial report presents its discussion and analysis of the Charter School's financial performance during the fiscal year ending June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the Charter School's financial statements, which immediately follow this section.

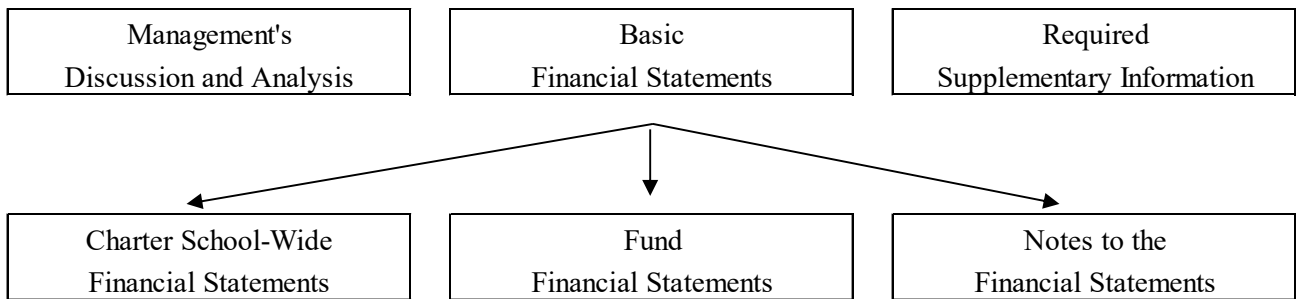
**Overview of the Financial Statements**

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

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

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

**Figure A-1  
Organization of the Sussex County Charter School for Technology's Financial Report**



**Sussex County Charter School for Technology  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022**

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

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

**Sussex County Charter School for Technology  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022**

***Charter School-wide Statements***

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

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

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

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

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

***Fund Financial Statements***

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

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

The School has one kind of fund:

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

**Sussex County Charter School for Technology  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022**

***Fund Financial Statements***

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

**Financial Analysis of the School as a Whole**

*Net Position.* The Charter School's net position was \$2,124,752 on June 30, 2022, \$577,442 or 37.32% more than it was the year before. (See Figure A-3).

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

	<u>Governmental Activities</u>		Percentage Change <u>2021-2022</u>
	<u>2022</u>	(Restated) <u>2021</u>	
Current/Other Assets	\$ 2,066,963	\$ 1,468,441	
Capital Assets, Net	4,567,898	4,690,912	
Lease Assets, Net	120,084	23,189	
Total Assets	<u>6,754,945</u>	<u>6,182,542</u>	9.26%
Deferred Outflows of Resources	<u>224,307</u>	<u>354,264</u>	-36.68%
Other Liabilities	356,536	179,673	
Long-term Liabilities	<u>4,052,348</u>	<u>4,321,434</u>	
Total Liabilities	<u>4,408,884</u>	<u>4,501,107</u>	-2.05%
Deferred Inflows of Resources	<u>445,616</u>	<u>488,389</u>	-8.76%
Net Position:			
Net Investment in Capital Assets	1,146,626	1,098,915	
Restricted	94,427	97,091	
Unrestricted	<u>883,699</u>	<u>351,304</u>	
Total Net Position	<u>\$ 2,124,752</u>	<u>\$ 1,547,310</u>	37.32%

*Changes in Net Position.* The Charter School's net position for governmental activities increased \$577,442 over the course of the year. Net investment in capital assets increased \$47,711 due to the retirement of long-term liabilities related to capital assets, offset by current year additions, adjustments, and depreciation. Restricted net position decreased \$2,664 due to the net of unemployment contributions and claims and the increase in student activities expenses. Unrestricted net position increased by \$532,395 due to changes in the net pension liability and the related deferred inflows and outflows.

**Sussex County Charter School for Technology  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022**

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

	<u>Governmental Activities</u>		Percentage
	<u>2022</u>	<u>2021</u>	<u>Change</u> 2021-2022
Revenue:			
Program Revenue:			
Charges for Services	\$ 20,078	\$ 6,425	
Operating Grants and Contributions	991,797	354,649	
General Revenue:			
Local Property Taxes - Charter School Aid	3,327,618	3,283,909	
Unrestricted Federal and State Aid	1,166,268	1,794,396	
Other	84,146	1,329	
Total Revenue	<u>5,589,907</u>	<u>5,440,708</u>	2.74%
Expenses:			
Instruction	3,092,333	3,123,901	
Student and Instructional Services	664,850	539,172	
Administration and Business	662,292	846,483	
Maintenance and Operations	351,139	140,320	
Transportation	1,220	42,095	
Other	240,631	246,372	
Total Expenses	<u>5,012,465</u>	<u>4,938,343</u>	1.50%
Other Item		(1,609)	100.00%
Increase/(Decrease) in Net Position	<u>\$ 577,442</u>	<u>\$ 500,756</u>	15.31%

***Governmental Activities***

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

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



**Sussex County Charter School for Technology  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
(Unaudited)**

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

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
Instruction	\$ 3,092,333	\$ 3,123,901	\$ 2,355,699	\$ 2,860,179
Pupil and Instruction Services	664,850	539,172	471,756	441,820
Administration and Business	662,292	846,483	606,439	846,483
Maintenance and Operations	351,139	140,320	337,745	140,320
Transportation	1,220	42,095	1,220	42,095
Other	240,631	246,372	227,731	246,372
<b>Total</b>	<b>\$ 5,012,465</b>	<b>\$ 4,938,343</b>	<b>\$ 4,000,590</b>	<b>\$ 4,577,269</b>

**Financial Analysis of the Charter School's Funds**

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

**General Fund Budgetary Highlights**

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

**Capital Asset and Long-Term Liabilities Administration**

**Capital Assets**

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

**Figure A-6**

**Capital Assets (Net of Depreciation)**

	Governmental Activities		Total Percent Change 2021-2022
	2022	2021	
Sites (Land)	\$ 500,000	\$ 500,000	
Buildings and Building Improvements	4,008,928	4,115,338	
Machinery and Equipment	58,970	75,574	
<b>Total Capital Assets, Net of Depreciation</b>	<b>\$ 4,567,898</b>	<b>\$ 4,690,912</b>	<b>-2.62%</b>

**Sussex County Charter School for Technology  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022**

***Long-term Liabilities***

At year-end, the Charter School had \$3,420,409 in mortgage loans payable, \$431,722 in net pension liability, \$79,270 in compensated absences, and \$120,947 in other long-term liabilities – as shown in Figure A-9. (More detailed information about the Charter School’s long-term liabilities is presented in the Notes to the Basic Financial Statements, Note 6.)

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

	<u>Total School District</u>		Percentage Change <u>2021-2022</u>
	<u>2022</u>	(Restated) <u>2021</u>	
Mortgage Loans Payable	\$ 3,420,409	\$ 3,591,979	
Compensated Absences Payable	79,270	84,020	
Net Pension Liability	431,722	622,228	
Other Long-Term Liabilities	<u>120,947</u>	<u>23,207</u>	
	<u>\$ 4,052,348</u>	<u>\$ 4,321,434</u>	-6.23%

**Factors Bearing on the Charter School’s Future**

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

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

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

**Contacting the Charter School’s Financial Management**

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

BASIC FINANCIAL STATEMENTS

CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
STATEMENT OF NET POSITION  
JUNE 30, 2022

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,789,815
Receivable from Local Governments	69,448
Receivable from State Government	37,422
Receivable from Federal Government	75,851
Restricted Cash and Cash Equivalents	94,427
Capital Assets:	
Site (Land)	500,000
Depreciable Buildings and Building Improvements and Machinery and Equipment, Net	4,067,898
Lease Assets, Net	120,084
Total Assets	<u>6,754,945</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows Related to Pensions	224,307
Total Deferred Outflows of Resources	<u>224,307</u>
<b>LIABILITIES</b>	
Accounts Payable	122,588
Payable to Local Governments	214,045
Unearned Revenue	19,903
Noncurrent Liabilities:	
Due Within One Year	206,938
Due Beyond One Year	3,845,410
Total Liabilities	<u>4,408,884</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows Related to Pensions	445,616
Total Deferred Inflows of Resources	<u>445,616</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	1,146,626
Restricted for:	
Charter School Escrow	75,220
Maintenance Reserve	506
Unemployment Compensation	9,714
Student Activities	8,987
Unrestricted	883,699
Total Net Position	<u>\$ 2,124,752</u>

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenue		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$ 2,778,393		\$ 672,839	\$ (2,105,554)
Special Education	123,991		25,626	(98,365)
Other Instruction	189,949		38,169	(151,780)
Support Services:				
Student & Instruction Related Services	664,850	\$ 20,078	173,016	(471,756)
General Administration Services	314,601		22,131	(292,470)
School Administration Services	69,700		7,585	(62,115)
Central Services	220,004		22,723	(197,281)
Administrative Information Technology	57,987		3,414	(54,573)
Plant Operations and Maintenance	351,139		13,394	(337,745)
Pupil Transportation	1,220			(1,220)
Unallocated Depreciation	110,860			(110,860)
Capital Outlay	12,900		12,900	
Interest and Other Charges	116,871			(116,871)
Total Governmental Activities	5,012,465	\$ 20,078	991,797	(4,000,590)
Total Primary Government	<u>\$ 5,012,465</u>	<u>\$ 20,078</u>	<u>\$ 991,797</u>	<u>(4,000,590)</u>
General Revenue:				
Taxes:				
Local Tax Levy				3,327,618
Unrestricted Federal and State Aid				1,166,268
Miscellaneous Income				84,146
Total General Revenue				<u>4,578,032</u>
Change in Net Position				577,442
Net Position - Beginning (Restated)				<u>1,547,310</u>
Net Position - Ending				<u>\$ 2,124,752</u>

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

FUND FINANCIAL STATEMENTS

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGYBALANCE SHEET  
GOVERNMENTAL FUNDSJUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 1,789,815			\$ 1,789,815
Interfund Receivable	48,486			48,486
Intergovernmental Receivable:				
Local	69,448			69,448
Federal		\$ 75,851		75,851
State	32,384	5,038		37,422
Restricted Cash and Cash Equivalents	85,440	8,987		94,427
<b>Total Assets</b>	<u>\$ 2,025,573</u>	<u>\$ 89,876</u>	<u>\$ - 0 -</u>	<u>\$ 2,115,449</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 60,088	\$ 12,500		\$ 72,588
Payable to Local Governments	214,045			214,045
Interfund Payable		48,486		48,486
Unearned Revenue		19,903		19,903
<b>Total Liabilities</b>	<u>274,133</u>	<u>80,889</u>		<u>355,022</u>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Maintenance Reserve	506			506
Charter School Escrow	75,220			75,220
Unemployment Compensation	9,714			9,714
Student Activities		8,987		8,987
<b>Assigned to:</b>				
Encumbrances	223,004			223,004
Unassigned	1,442,996			1,442,996
<b>Total Fund Balances</b>	<u>1,751,440</u>	<u>8,987</u>		<u>1,760,427</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,025,573</u>	<u>\$ 89,876</u>	<u>\$ - 0 -</u>	<u>\$ 2,115,449</u>



SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

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

Total Fund Balances - Governmental Funds	\$ 1,760,427
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	4,567,898
Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	120,084
Long-Term Liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(3,620,626)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(431,722)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	174,307
Deferred Inflows	(445,616)
	\$ 2,124,752
Net Position of Governmental Activities	\$ 2,124,752

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUE:				
Local Sources:				
Local Tax Levy	\$ 3,327,618			\$ 3,327,618
Interest Income	146			146
Restricted Miscellaneous		\$ 20,078		20,078
Unrestricted Miscellaneous	84,000			84,000
Total - Local Sources	3,411,764	20,078		3,431,842
State Sources	1,944,663	5,038		1,949,701
Federal Sources		293,029		293,029
Total Revenue	5,356,427	318,145		5,674,572
EXPENDITURES:				
Instruction:				
Regular Instruction	1,567,745	158,676		1,726,421
Special Education Instruction	72,861			72,861
Other Instruction	113,793			113,793
Support Services and Undistributed Costs:				
Student & Instruction Related Services	404,769	153,760		558,529
General Administration Services	263,769			263,769
School Administration Services	57,105			57,105
Central Services	169,653			169,653
Administrative Information Technology	50,423			50,423
Plant Operations and Maintenance	317,195			317,195
Pupil Transportation	1,220			1,220
Unallocated Benefits	1,620,603			1,620,603
Capital Outlay	127,014	12,900		139,914
Debt Service:				
Principal			\$ 171,570	171,570
Interest and Other Charges			116,871	116,871
Total Expenditures	4,766,150	325,336	288,441	5,379,927
Excess/(Deficiency) of Revenue over/(under) Expenditures	590,277	(7,191)	(288,441)	294,645
OTHER FINANCING SOURCES/(USES):				
Leases (Non-budgeted)	127,014			127,014
Transfers	(288,441)		288,441	
Total Other Financing Sources/(Uses)	(161,427)		288,441	127,014
Net Change in Fund Balances	428,850	(7,191)		421,659
Fund Balance—July 1	1,322,590	16,178		1,338,768
Fund Balance—June 30	\$ 1,751,440	\$ 8,987	\$ -0-	\$ 1,760,427

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 421,659

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

Capital outlays related to capital assets are reported in Governmental Funds as expenditures.

However, in the *Statement of Activities*, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differ from depreciation and disposal of assets with carrying value in the current period.

Capital Outlays	\$	7,319	
Disposal of Assets with Carrying Value		(8,218)	
Depreciation Expense		(122,115)	
			(123,014)

Capital outlays related to lease assets are reported in Governmental Funds as expenditures.

However, in the *Statement of Activities* the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period.

Amortization Expense		(30,119)	
Lease Asset Additions		127,014	
			96,895

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

171,570

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

4,750

Leases entered into by the District are an other financing source in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the *Statement of Net Position* and is not reported in the *Statement of Activities*.

(127,014)

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

29,274

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Change in Net Pension Liability	\$ 190,506
Change in Deferred Outflows	(129,957)
Change in Deferred Inflows	<u>42,773</u>
Change in Net Position (from Exhibit A-2)	<u><u>\$ 577,442</u></u>

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

Charter School-Wide Financial Statements:

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

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

Fund Financial Statements:

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

The Charter School reports the following Governmental Funds:

General Fund: The General Fund is the general operating fund of the Charter School and is used to account for and report all expendable financial resources not accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the capital outlay sub-fund.

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

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

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

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

C. Measurement Focus and Basis of Accounting:

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

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

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

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

D. Budgets/Budgetary Control:

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 5,356,427	\$ 338,096
Grant Accounting Budgetary Basis Differs from GAAP in that Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not:		
Current Year Encumbrances		(19,951)
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 5,356,427	\$ 318,145
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 4,766,150	\$ 345,287
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Current Year Encumbrances		(19,951)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 4,766,150	\$ 325,336



SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

E. Cash and Cash Equivalents and Investments:

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

H. Encumbrances: (Cont'd)

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

K. Capital Assets:

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

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

	Estimated Useful Life
Buildings and Building Improvements	50 years
Machinery and Equipment	10 to 15 years

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

L. Lease Assets:

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

M. Long Term Liabilities:

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

N. Accrued Salaries and Wages:

The Charter School does not allow employees, who provide services to the Charter School over the ten-month academic year, the option to have their salaries evenly disbursed during the entire twelve-month year. Therefore, there are no accrued salaries and wages at June 30, 2022.

O. Compensated Absences:

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

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

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

P. Unearned Revenue:

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

Q. Lease Payable:

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

R. Fund Balance Appropriated:

General Fund: Of the \$1,751,440 General Fund balance at June 30, 2022, \$506 is restricted for a maintenance reserve, \$75,220 is restricted for Charter School Escrow, \$9,714 is restricted for Unemployment Compensation, \$223,004 is assigned for encumbrances, and \$1,442,996 is unassigned.

Special Revenue Fund: The \$8,987 Special Revenue Fund balance at June 30, 2022 is restricted for Student Activities.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

S. Net Position:

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

A deferred outflow of resources is a consumption of net position by the Charter School that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the Charter School that is applicable to a future reporting period. The Charter School had deferred outflows of resources at June 30, 2022 related to pensions.

The Charter School had deferred inflows of resources at June 30, 2022 related to pensions.

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

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

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

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

T. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the Charter School's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The Charter School has funds restricted at June 30, 2022 for Maintenance Reserve, Charter School Escrow, Student Activities, and Unemployment Compensation.

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

The Board of Trustees has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the members of the Board of Trustees at a public meeting of that governing body. The Board of Trustees must also utilize a formal motion or a resolution passed by a majority of the members of the Board of Trustees at a public meeting of that governing body in order to remove or change the commitment of resources. The Charter School has no committed resources at June 30, 2022.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

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

T. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The assignment of resources is generally made by the Board of Trustees through a motion or a resolution passed by a majority of the members of the Board of Trustees. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Trustees may allow an official of the Charter School to assign resources through policies adopted by the Board of Trustees. The Charter School has assigned resources for encumbrances at June 30, 2022.

U. Revenue - Exchange and Non-exchange Transactions:

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

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

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

V. Management Estimates:

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

W. Pensions

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

Deposits:

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

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

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

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

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

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

Investments: (Cont'd)

- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2022, cash and cash equivalents of the Charter School consisted of the following:

	<u>Cash and</u>	<u>Restricted Cash and Cash Equivalents</u>				<u>Total Cash</u>
	<u>Cash</u>	<u>Charter</u>	<u>Maintenance</u>	<u>Unemployment</u>	<u>Student</u>	<u>and Cash</u>
	<u>Equivalents</u>	<u>Escrow</u>	<u>Reserve</u>	<u>Compensation</u>	<u>Activities</u>	<u>Equivalents</u>
Checking and						
Savings Accounts	<u>\$ 1,789,815</u>	<u>\$ 75,220</u>	<u>\$ 506</u>	<u>\$ 9,714</u>	<u>\$ 8,987</u>	<u>\$ 1,884,242</u>

During the period ended June 30, 2022, the Charter School did not hold any investments. The carrying amount of the Charter School's cash and cash equivalents at June 30, 2022, was \$1,884,242 and the bank balance was \$2,016,205.



SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 4. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2022 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 500,000			\$ 500,000
Total Capital Assets not Being Depreciated	<u>500,000</u>			<u>500,000</u>
Capital Assets Being Depreciated:				
Buildings and Building Improvements	5,276,156			5,276,156
Machinery and Equipment	<u>206,311</u>	\$ 7,319	\$ (8,218)	<u>205,412</u>
Total Capital Assets Being Depreciated	<u>5,482,467</u>	<u>7,319</u>	<u>(8,218)</u>	<u>5,481,568</u>
Governmental Activities Capital Assets	<u>5,982,467</u>	<u>7,319</u>	<u>(8,218)</u>	<u>5,981,568</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(1,160,818)	(106,410)		(1,267,228)
Machinery and Equipment	<u>(130,737)</u>	<u>(15,705)</u>		<u>(146,442)</u>
Total Accumulated Depreciation	<u>(1,291,555)</u>	<u>(122,115)</u>		<u>(1,413,670)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 4,690,912</u>	<u>\$ (114,796)</u>	<u>\$ (8,218)</u>	<u>\$ 4,567,898</u>
GRAND TOTAL	<u>\$ 4,690,912</u>	<u>\$ (114,796)</u>	<u>\$ (8,218)</u>	<u>\$ 4,567,898</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,791
Student & Instruction Related Services	3,367
General Administration	3,226
Plant Operations and Maintenance	2,334
School Administration	537
Unallocated	<u>110,860</u>
	<u>\$ 122,115</u>

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 5. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2022 were as follows:

	(Restated) Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Lease Assets Being Amortized:				
Buildings		\$ 127,014		\$ 127,014
Machinery and Equipment	\$ 23,189			23,189
Total Lease Assets Being Amortized	<u>23,189</u>	<u>127,014</u>		<u>150,203</u>
Governmental Activities Lease Assets	<u>23,189</u>	<u>127,014</u>		<u>150,203</u>
Less Accumulated Amortization for:				
Buildings		(25,403)		(25,403)
Machinery and Equipment		<u>(4,716)</u>		<u>(4,716)</u>
		<u>(30,119)</u>		<u>(30,119)</u>
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 23,189</u>	<u>\$ 96,895</u>	<u>\$ -0-</u>	<u>\$ 120,084</u>

Amortization expense was charged to governmental functions as follows:

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the Charter School-Wide financial statements:

	(Restated)			Balance June 30, 2022
	Balance June 30, 2021	Accrued	Retired	
Mortgage Loans Payable	\$ 3,591,979		\$ 171,570	\$ 3,420,409
Leases Payable	23,207	\$ 127,014	29,274	120,947
Compensated Absences Payable	84,020		4,750	79,270
Net Pension Liability	622,228		190,506	431,722
	<u>\$ 4,321,434</u>	<u>\$ 127,014</u>	<u>\$ 396,100</u>	<u>\$ 4,052,348</u>

A. Mortgage Loans Payable:

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

The details of the mortgage loans payable outstanding as of June 30, 2022 are as follows:

<u>\$3,000,000 Sussex Bank Loan</u>		
<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal Amount</u>
6/30/2023	3.00%	\$ 124,034
6/30/2024	3.00%	127,706
6/30/2025	3.00%	131,799
6/30/2026	3.00%	135,864
6/30/2027	3.00%	140,054
6/30/2028	3.00%	144,267
6/30/2029	3.00%	148,824
6/30/2030	3.00%	153,414
6/30/2031	3.00%	158,146
6/30/2032	3.00%	162,968
6/30/2033	3.00%	168,051
6/30/2034	3.00%	173,234
6/30/2035	3.00%	178,578
6/30/2036	3.00%	91,349
		<u>\$ 2,038,288</u>

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
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NOTE 6. LONG-TERM LIABILITIES (Cont'd)

A. Mortgage Loans Payable: (Cont'd)

\$1,870,000 USDA Loan

<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal Amount</u>
6/30/2023	3.75%	\$ 53,201
6/30/2024	3.75%	55,229
6/30/2025	3.75%	57,337
6/30/2026	3.75%	59,525
6/30/2027	3.75%	61,794
6/30/2028	3.75%	64,152
6/30/2029	3.75%	66,600
6/30/2030	3.75%	69,141
6/30/2031	3.75%	71,779
6/30/2032	3.75%	74,518
6/30/2033	3.75%	77,359
6/30/2034	3.75%	80,313
6/30/2035	3.75%	83,376
6/30/2036	3.75%	86,557
6/30/2037	3.75%	89,858
6/30/2038	3.75%	93,286
6/30/2039	3.75%	96,846
6/30/2040	3.75%	100,541
6/30/2041	3.75%	40,709
		<u>\$ 1,382,121</u>

Principal and interest on the mortgage loans is as follows:

<u>Due Date</u>	<u>Loan Principal</u>	<u>Loan Interest</u>	<u>Total</u>
6/30/2023	\$ 177,235	\$ 111,206	\$ 288,441
6/30/2024	182,935	105,506	288,441
6/30/2025	189,136	99,305	288,441
6/30/2026	195,389	93,052	288,441
6/30/2027	201,848	86,592	288,440
6/30/2028-6/30/2032	1,113,809	328,393	1,442,202
6/30/2032-6/30/2037	1,028,675	137,053	1,165,728
6/30/2038-6/30/2041	331,382	85,114	416,496
	<u>\$ 3,420,409</u>	<u>\$ 1,046,219</u>	<u>\$ 4,466,628</u>

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
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(Continued)

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

B. Compensated Absences:

The Charter School's compensated absences payable of its Governmental activities will be liquidated through the General Fund. There is no current portion payable; therefore, the entire balance of \$79,270 as of June 30, 2022 is included in the long-term portion of long-term liabilities.

C. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2022 is \$-0- and the long-term portion is \$431,722. See Note 6 for further information on the PERS.

D. Leases Payable:

The District had leases outstanding as of June 30, 2022 as follows:

<u>Leases Payable</u>				
<u>Purpose</u>	<u>Frequency of Payment</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Ricoh Copiers	Monthly	05/31/26	1.95%	\$ 18,665
16 Roosevelt Drive	Monthly	6/31/2026	0.29%	102,282
				<u>\$ 120,947</u>

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 29,703	\$ 1,710
2024	30,143	2,591
2025	30,422	3,512
2026	30,679	4,546
	<u>\$ 120,947</u>	<u>\$ 12,359</u>

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 7. PENSION PLANS

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

A. Public Employees’ Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. 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. District contributions to PERS amounted to \$42,679 for 2022.

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

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

At June 30, 2022, the District's liability was \$431,722 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.0036%, which was a decrease of 0.0002% from its proportion measured as of June 30, 2020.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2022, the District recognized an actual pension benefit in the amount of \$60,645. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	5.48		\$ (18,245)
	2018	5.63		(34,205)
	2019	5.21		(30,175)
	2020	5.16		(71,071)
	2021	5.13	\$ 2,248	
			<u>2,248</u>	<u>(153,696)</u>
Changes in Proportion	2017	5.48	1,261	
	2018	5.63		(116,955)
	2019	5.21	163,989	
	2020	5.16		(28,067)
	2021	5.13		(30,080)
			<u>165,250</u>	<u>(175,102)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		(3,373)
	2019	5.00		1,088
	2020	5.00		24,524
	2021	5.00		(135,966)
				<u>(113,727)</u>
Difference Between Expected and Actual Experience	2017	5.48	542	
	2018	5.63		(1,303)
	2019	5.21	2,307	
	2020	5.16	3,960	
	2021	5.13		(1,788)
			<u>6,809</u>	<u>(3,091)</u>
District Contribution Subsequent to the Measurement Date	2021	1.00	50,000	
			<u>\$ 224,307</u>	<u>\$ (445,616)</u>



SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2022	\$ (101,868)
2023	(72,733)
2024	(49,592)
2025	(37,278)
2026	14
	\$ (261,457)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
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 (Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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.

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NOTE 7. PENSION PLANS (Cont'd)

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

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

The following presents the Charter School's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 588,243	\$ 431,722	\$ 299,333

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

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

Benefits Provided

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

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(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> 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 2021, 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 2022, the State of New Jersey contributed \$621,899 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$441,615.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Special Funding Situation (Cont'd)

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

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

At June 30, 2022, the State's proportionate share of the net pension liability associated with the District was \$7,244,721. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.0151%, which was a decrease of 0.00001% from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the Charter School		7,244,721
Total	\$	7,244,721

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$441,615 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
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(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 153,774,925	
	2015	8.30	926,219,611	
	2016	8.30	3,000,278,784	
	2017	8.30		\$ 5,282,196,290
	2018	8.29		3,527,661,165
	2019	8.04		2,510,940,613
	2020	7.99	1,209,286,241	
	2021	7.93		12,903,483,645
			<u>5,289,559,561</u>	<u>24,224,281,713</u>
Difference Between Expected and Actual Experience	2014	8.50		1,464,605
	2015	8.30	57,204,429	
	2016	8.30		37,311,034
	2017	8.30	93,981,436	
	2018	8.29	618,845,893	
	2019	8.04		97,553,990
	2020	7.99		6,444,940
	2021	7.93	171,234,070	
			<u>941,265,828</u>	<u>142,774,569</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		96,030,373
	2019	5.00		(72,441,385)
	2020	5.00		(724,186,621)
	2021	5.00		3,554,633,811
				<u>2,854,036,178</u>
			<u>\$ 6,230,825,389</u>	<u>\$ 27,221,092,460</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:

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(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	\$ (20,990,267,071)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
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(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.



SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the Charter School as of June 30, 2021 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:

	June 30, 2021		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the Charter School	\$ 8,571,715	\$ 7,244,721	\$ 6,130,129

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$1,360 for the year ended June 30, 2022. Employee contributions to DCRP amounted to \$1,002 for the year ended June 30, 2022.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 8. DEFERRED COMPENSATION

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

NOTE 9. ECONOMIC DEPENDENCY

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

NOTE 10. RISK MANAGEMENT

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

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

Property and Liability Insurance

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

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

Summarized financial information for the Group as of June 30, 2022 was not available at the time of audit. Selected, summarized financial information for the Group as of June 30, 2021 is as follows:

	New Jersey Schools Insurance Group (NJSIG)
Total Assets	\$ 409,725,069
Net Position	\$ 171,872,738
Total Revenue	\$ 136,646,172
Total Expenses	\$ 104,006,539
Change in Net Position	\$ 32,639,633
Member Dividends	\$ 6,346,945

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

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

New Jersey Unemployment Compensation Insurance

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

Fiscal Year	Employer/ Employee Contributions	Interest	Amount Reimbursed	Ending Balance
2021-2022	\$ 4,500			\$ 9,714
2020-2021	4,290	\$ 1	\$ 3,648	5,214
2019-2020	13,882	7	18,638	4,571

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 10. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2022.

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 48,486	
Special Revenue Fund		\$ 48,486
	\$ 48,486	\$ 48,486

The interfund payable in the Special Revenue Fund is the amount advanced from the General Fund while awaiting federal grant reimbursements.

NOTE 11. MAINTENANCE RESERVE ACCOUNT

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

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

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 11. MAINTENANCE RESERVE ACCOUNT (Cont'd)

The Maintenance Reserve Account is maintained in the General Fund, and its activity is included in the General Fund annual budget. The activity of the Maintenance Reserve Account for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance at July 1, 2021	\$	506
Ending Balance at June 30, 2022	\$	506

NOTE 12. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2022, there were encumbrances as detailed below in the governmental funds:

General Fund	Special Revenue Fund	Total
\$ 223,004	\$ 19,951	\$ 242,955

On the District's Governmental Funds Balance Sheet as of June 30, 2022, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$19,951 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 13. CHARTER SCHOOL ESCROW

Charter Schools in the State of New Jersey are required to restrict \$75,000 of fund balance for Charter School Escrow, to be utilized in the event of dissolution of the Charter School, within 5 years of the signing of the Charter Agreement. The Charter School has \$75,220 of restricted fund balance for Charter School Escrow as of June 30, 2022.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 14. ACCOUNTS PAYABLE

Accounts payable recorded in the Charter School’s financial statements as of June 30, 2022 consisted of the following:

	<u>Governmental Funds</u>		Total Governmental Funds	District Contribution Subsequent to the Measurement Date	Total Governmental Activities
	General Fund	Special Revenue Fund			
Vendors	\$ 38,142	\$ 12,500	\$ 50,642		\$ 50,642
Payroll Deductions and Withholdings	21,946		21,946		21,946
State of New Jersey				\$ 50,000	50,000
	<u>\$ 60,088</u>	<u>\$ 12,500</u>	<u>\$ 72,588</u>	<u>\$ 50,000</u>	<u>\$ 122,588</u>

NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

Employees Covered by Benefit Terms

At June 30, 2019, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	149,304
Active Plan Members	216,804
Total	366,108

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

Actuarial Assumptions and Other Inputs

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

	2.50%	
	TPAF/ABP	PERS
Inflation Rate		
Salary Increases:		
Through 2026	1.55 - 4.45%	2.00 - 6.00%
	based on service years	based on service years
Thereafter	1.55 - 4.45%	3.00 - 7.00%
	based on service years	based on service years

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018 for TPAF and PERS, respectively.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020.

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 rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2019	\$ 2,959,975
Changes for Year:	
Service Cost	309,732
Interest on the Total OPEB Liability	112,656
Changes of Assumptions	1,112,175
Difference in Expected and Actual Experiences	1,696,827
Gross Benefit Payments by the State	(105,997)
Contributions from Members	3,213
Net Changes	<u>3,128,606</u>
Balance at June 30, 2020	<u>\$ 6,088,581</u>



SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
Total OPEB Liability Attributable to the District	\$ 7,340,099	\$ 6,088,581	\$ 5,110,015

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 4,914,908	\$ 6,088,581	\$ 7,486,165

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

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$514,113 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2020 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	<u>Deferral Year</u>	<u>Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2017	9.54		\$ 369,506
	2018	9.51		325,235
	2019	9.29	\$ 43,838	
	2020	9.24	991,809	
			<u>1,035,647</u>	<u>694,741</u>
Differences between Expected and Actual Experience	2018	9.51		307,448
	2019	9.29		515,979
	2020	9.24	924,405	
			<u>924,405</u>	<u>823,427</u>
Changes in Proportion	N/A	N/A	<u>1,629,549</u>	<u>939,243</u>
			<u>\$ 3,589,601</u>	<u>\$ 2,457,411</u>

N/A- Not Available

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2021	\$ 3,901
2022	3,901
2023	3,900
2024	3,900
2025	3,900
Thereafter	<u>422,382</u>
	<u>\$ 441,884</u>

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 16. PRIOR YEAR ADJUSTMENT

The District made a prior year adjustment in the district-wide financial statements to record an intangible right-to-use asset and a lease liability as of June 30, 2021 as a result of implementing GASB 87, Leases:

	June 30, 2021 Balance as Previously Reported	<u>Retroactive Adjustments</u>	June 30, 2021 Balance as Restated
<u>Statement of Net Position - Governmental Activities:</u>			
Assets:			
Lease Asset, Net		\$ 23,189	\$ 23,189
Total Asset	\$ 6,159,353	23,189	6,182,542
Noncurrent Liabilities:			
Due Within One Year	171,570	4,542	176,112
Due Beyond One Year	4,126,657	18,665	4,145,322
Total Liabilities	4,477,900	23,207	4,501,107
Net Position:			
Net Investment in Capital Assets	1,098,933	(18)	1,098,915
Total Net Position	1,547,328	(18)	1,547,310

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

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

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

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 17,602	\$ 30,737	\$ 36,680	\$ 39,744	\$ 23,390	\$ 39,628	\$ 41,926	\$ 42,679
Contributions in relation to the contractually required contribution	(17,602)	(30,737)	(36,680)	(39,744)	(23,390)	(39,628)	(41,926)	(42,679)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Charter Schools covered employee payroll	\$ 274,663	\$ 279,858	\$ 218,164	\$ 250,566	\$ 257,967	\$ 267,070	\$ 206,182	\$ 187,427
Contributions as a percentage of covered employee payroll	6.41%	11.19%	16.81%	15.86%	9.07%	14.84%	20.33%	22.77%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
State's proportion of the net pension liability attributable to the Charter School	0.0124497203%	0.0143347676%	0.0140700521%	0.0149598346%	0.0147304432%	0.0162118162%	0.0161135415%	0.0150695627%
State's proportionate share of the net pension liability attributable to the Charter School	\$ 6,653,970	\$ 9,060,185	\$ 11,068,399	\$ 10,086,406	\$ 9,371,192	\$ 9,949,345	\$ 10,610,573	\$ 7,244,721
Charter School's covered employee payroll	\$ 1,414,129	\$ 1,553,147	\$ 1,527,396	\$ 1,553,349	\$ 1,700,648	\$ 1,669,187	\$ 1,687,887	\$ 1,730,360
State's proportionate share of the net pension liability attributable to the Charter School as a percentage of its covered employee payroll	470.53%	583.34%	724.66%	649.33%	551.04%	596.06%	628.63%	418.68%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.23%	25.41%	26.49%	26.95%	24.60%	35.52%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 358,046	\$ 553,205	\$ 831,637	\$ 698,739	\$ 546,308	\$ 586,839	\$ 659,811	\$ 441,615
Contributions in relation to the contractually required contribution	(77,499)	(112,651)	(162,385)	(216,928)	(318,848)	(353,432)	(438,053)	(621,899)
Contribution deficiency/(excess)	\$ 280,547	\$ 440,554	\$ 669,252	\$ 481,811	\$ 227,460	\$ 233,407	\$ 221,758	\$ (180,284)
Charter School's covered employee payroll	\$ 1,553,147	\$ 1,527,396	\$ 1,553,349	\$ 1,700,648	\$ 1,669,187	\$ 1,687,887	\$ 1,730,360	\$ 1,922,165
Contributions as a percentage of covered employee payroll	4.99%	7.38%	10.45%	12.76%	19.10%	20.94%	25.32%	32.35%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.



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

	Fiscal Year Ending			
	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$ 427,737	\$ 355,619	\$ 233,290	\$ 309,732
Interest Cost	142,904	170,086	113,918	112,656
Changes in Assumptions	(676,670)	(316,034)	44,133	1,112,175
Member Contributions	3,779	2,545	2,693	3,213
Difference in Expected and Actual Experiences		(1,815,214)	(97,184)	1,696,827
Gross Benefit Payments	(102,623)	(73,641)	(90,862)	(105,997)
Net Change in Total OPEB Liability	(204,873)	(1,676,639)	205,988	3,128,606
Total OPEB Liability - Beginning	4,635,499	4,430,626	2,753,987	2,959,975
Total OPEB Liability - Ending	<u>\$4,430,626</u>	<u>\$2,753,987</u>	<u>\$2,959,975</u>	<u>\$6,088,581</u>
District's Covered Employee Payroll *	\$1,807,254	\$1,771,513	\$1,951,214	\$1,927,154
Total OPEB Liability as a Percentage of Covered Employee Payroll	245%	155%	152%	316%

\* - Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019, and 2020 are based on the payroll on the June 30, 2016, 2017, and 2018 census data.

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%, a change of -1.29%.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. 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-2019.

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

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 rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 4,213,338	\$ (885,720)	\$ 3,327,618	\$ 3,327,618	\$ 84,146
Unrestricted Miscellaneous				84,146	
<b>Total - Local Sources</b>	<b>4,213,338</b>	<b>(885,720)</b>	<b>3,327,618</b>	<b>3,411,764</b>	<b>84,146</b>
State Sources:					
Equalization Aid - Charter School State Aid		809,222	809,222	809,222	
Special Education Aid - Charter School Aid	183,293	1,312	184,605	184,605	
Security Aid	34,009	(2,103)	31,906	31,906	
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)				147,351	147,351
On-Behalf TPAF Pension Contributions (Non-Budgeted)				621,899	621,899
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				8,774	8,774
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				371	371
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				140,535	140,535
<b>Total State Sources</b>	<b>217,302</b>	<b>808,431</b>	<b>1,025,733</b>	<b>1,944,663</b>	<b>918,930</b>
<b>TOTAL REVENUES</b>	<b>4,430,640</b>	<b>(77,289)</b>	<b>4,353,351</b>	<b>5,356,427</b>	<b>1,003,076</b>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Grades 6-8 - Salaries of Teachers	\$ 1,388,618	\$ (21,239)	\$ 1,367,379	\$ 1,354,410	\$ 12,969
Other Salaries for Instruction	125,958	15,649	141,607	137,444	4,163
General Supplies	68,901	(5,888)	63,013	58,970	4,043
Textbooks		5,116	5,116		5,116
Regular Programs - Home Instruction:					
Salaries of Teachers	4,000		4,000	2,680	1,320
Purchased Professional/Educational Services	1,000		1,000		1,000
Purchased Professional/Technical Services	32,782	(2,000)	30,782	11,496	19,286
General Supplies	30,192	(5,871)	24,321	2,745	21,576
Total Regular Programs - Instruction	<u>1,651,451</u>	<u>(14,233)</u>	<u>1,637,218</u>	<u>1,567,745</u>	<u>69,473</u>
Resource Room/Resource Center:					
Salaries of Teachers	67,582	5,279	72,861	72,861	
Total Resource Room/Resource Center	<u>67,582</u>	<u>5,279</u>	<u>72,861</u>	<u>72,861</u>	
Total Special Education Instruction	<u>67,582</u>	<u>5,279</u>	<u>72,861</u>	<u>72,861</u>	
Vocational Programs - Local:					
General Supplies	15,500	354	15,854	4,310	11,544
Total Vocational Programs - Local	<u>15,500</u>	<u>354</u>	<u>15,854</u>	<u>4,310</u>	<u>11,544</u>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
School-Sponsored Co-curricular Activities - Instruction:					
Salaries	\$ 51,800	\$ 5,063	\$ 56,863	\$ 56,863	
Other Objects	3,000	(2,000)	1,000	960	40
<b>Total School-Sponsored Co-curricular Activities - Instruction</b>	<b>54,800</b>	<b>3,063</b>	<b>57,863</b>	<b>57,823</b>	<b>40</b>
School-Sponsored Co-curricular Athletics - Instruction:					
Salaries	9,600	(400)	9,200	6,900	2,300
Supplies and Materials	500	(500)			
Other Objects	3,000	(3,000)			
<b>Total School-Sponsored Co-curricular Athletics - Instruction</b>	<b>13,100</b>	<b>(3,900)</b>	<b>9,200</b>	<b>6,900</b>	<b>2,300</b>
Other Instructional Programs - Summer School:					
Salaries	30,000	14,760	44,760	44,760	
<b>Total Other Instructional Programs - Summer School</b>	<b>30,000</b>	<b>14,760</b>	<b>44,760</b>	<b>44,760</b>	
<b>Total Instruction</b>	<b>1,832,433</b>	<b>5,323</b>	<b>1,837,756</b>	<b>1,754,399</b>	<b>83,357</b>
Undistributed Expenditures:					
Health Services:					
Salaries	62,704	(1,882)	60,822	59,181	1,641
Supplies and Materials		1,882	1,882	576	1,306
<b>Total Health Services</b>	<b>62,704</b>		<b>62,704</b>	<b>59,757</b>	<b>2,947</b>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Guidance:					
Salaries of Other Professional Staff	\$ 70,768		\$ 70,768	\$ 69,440	\$ 1,328
Total Guidance	<u>70,768</u>		<u>70,768</u>	<u>69,440</u>	<u>1,328</u>
Child Study Teams:					
Salaries of Other Professional Staff	85,000	\$ 909	85,909	85,909	
Other Purchased Professional/Technical Services	10,000	2,088	12,088	11,988	100
Supplies and Materials	1,655	(150)	1,505	1,377	128
Other Objects	224	150	374	374	
Total Child Study Teams	<u>96,879</u>	<u>2,997</u>	<u>99,876</u>	<u>99,648</u>	<u>228</u>
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	90,640	662	91,302	91,302	
Salaries of Other Professional Staff	8,500	(3,202)	5,298	4,829	469
Other Purchased Professional/Educational Services	72,951	(3,549)	69,402	38,761	30,641
Total Improvement of Instructional Services	<u>172,091</u>	<u>(6,089)</u>	<u>166,002</u>	<u>134,892</u>	<u>31,110</u>
Instructional Staff Training Services:					
Purchased Professional/Technical Services	94,484	(22,750)	71,734	40,701	31,033
Travel		5,000	5,000	331	4,669
Total Instructional Staff Training Services	<u>94,484</u>	<u>(17,750)</u>	<u>76,734</u>	<u>41,032</u>	<u>35,702</u>



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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Support Services - General Administration:					
Salaries	\$ 137,835	\$ 7,563	\$ 145,398	\$ 145,398	
Salaries of Secretarial and Clerical Assistants	2,372	4	2,376	2,376	
Legal Services	30,000	14,455	44,455	44,455	
Audit Fees	23,000		23,000	22,185	\$ 815
Other Purchased Professional Services	25,000	(20,067)	4,933	1,310	3,623
Other Purchased Services (400-500 series)	56,754	(7,672)	49,082	38,872	10,210
BOE Other Purchased Services	1,900		1,900	1,249	651
BOE Membership Dues and Fees	7,850	2,574	10,424	7,924	2,500
<b>Total Support Services - General Administration</b>	<b>284,711</b>	<b>(3,143)</b>	<b>281,568</b>	<b>263,769</b>	<b>17,799</b>
Support Services - School Administration:					
Salaries of Secretarial and Clerical Assistants	42,926	7,719	50,645	50,645	
Travel	1,500	844	2,344	321	2,023
Supplies and Materials	3,000	1,670	4,670	4,297	373
Miscellaneous Expenditures	2,600	(750)	1,850	1,842	8
<b>Total Support Services - School Administration</b>	<b>51,831</b>	<b>7,678</b>	<b>59,509</b>	<b>57,105</b>	<b>2,404</b>
<b>Central Services:</b>					
Salaries	151,755	(11)	151,744	151,728	16
Purchased Technical Services	13,800	3,375	17,175	15,082	2,093
Supplies and Materials	2,200	377	2,577	1,548	1,029
Miscellaneous Expenditures	1,284	11	1,295	1,295	
<b>Total Central Services</b>	<b>169,039</b>	<b>3,752</b>	<b>172,791</b>	<b>169,653</b>	<b>3,138</b>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Administrative Information Technology:					
Salaries	\$ 22,804		\$ 22,804	\$ 22,794	\$ 10
Purchased Professional/Technical Services	5,500	\$ 2,800	8,300	8,270	30
Supplies and Materials	27,288	(2,447)	24,841	19,359	5,482
<b>Total Administrative Information Technology</b>	<b>55,592</b>	<b>353</b>	<b>55,945</b>	<b>50,423</b>	<b>5,522</b>
Required Maintenance of School Facilities:					
Salaries	53,614		53,614	53,589	25
Cleaning, Repair and Maintenance Services	20,000	(9,153)	10,847	3,754	7,093
General Supplies	9,000	325	9,325	9,004	321
<b>Total Required Maintenance of School Facilities</b>	<b>82,614</b>	<b>(8,828)</b>	<b>73,786</b>	<b>66,347</b>	<b>7,439</b>
Custodial Services:					
Salaries	28,000	7,843	35,843	35,843	
Cleaning, Repair and Maintenance Services	71,967	57,489	129,456	87,891	41,565
Rental of Land or Building	22,000	3,635	25,635	25,635	
Insurance	23,000	(1,669)	21,331	19,774	1,557
Other Purchased Property Services (400-500 series)	10,000	(4,704)	5,296	1,312	3,984
General Supplies	11,988	1,062	13,050	8,542	4,508
Energy (Natural Gas)	15,750		15,750	12,658	3,092
Energy (Electricity)	42,000	(5,000)	37,000	30,189	6,811
Other Objects	1,650	(122)	1,528	195	1,333
<b>Total Custodial Services</b>	<b>226,355</b>	<b>58,534</b>	<b>284,889</b>	<b>222,039</b>	<b>62,850</b>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Care and Upkeep of Grounds:					
Purchased Professional/Technical Services	\$ 27,581	\$ 48,034	\$ 75,615	\$ 24,110	\$ 51,505
Total Care and Upkeep of Grounds	<u>27,581</u>	<u>48,034</u>	<u>75,615</u>	<u>24,110</u>	<u>51,505</u>
Security:					
General Supplies	10,000	(1,217)	8,783	4,699	4,084
Total Security	<u>10,000</u>	<u>(1,217)</u>	<u>8,783</u>	<u>4,699</u>	<u>4,084</u>
Student Transportation Services:					
Contracted Services - Between Home and School - Joint Agreements	11,500	(8,245)	3,255	1,220	2,035
Total Student Transportation Services	<u>11,500</u>	<u>(8,245)</u>	<u>3,255</u>	<u>1,220</u>	<u>2,035</u>
Unallocated Benefits:					
Other Retirement Contributions - PERS	46,000	(3,321)	42,679	42,679	
Other Retirement Contributions - Regular	50,900	1,360	1,360	1,360	
Social Security Contributions	38,907	(2,687)	48,213	46,310	1,903
Unemployment Compensation	23,000	(1,873)	38,907	38,907	38,907
Workmen's Compensation	775,000	(159,765)	21,127	17,593	3,534
Health Benefits	12,000	8,937	615,235	541,265	73,970
Tuition Reimbursement	33,000	(1,339)	20,937	20,937	
Other Employee Benefits	978,807	(158,688)	31,661	31,529	132
Total Unallocated Benefits	<u>978,807</u>	<u>(158,688)</u>	<u>820,119</u>	<u>701,673</u>	<u>118,446</u>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
On-Behalf Contributions:					
On-Behalf TPAF Post Retirement Contributions (Non-Budgeted)	\$ 147,351				\$ (147,351)
On-Behalf TPAF Pension Contributions (Non-Budgeted)	621,899				(621,899)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)	8,774				(8,774)
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)	371				(371)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	140,535				(140,535)
Total On-Behalf Contributions	918,930				(918,930)
Total Personal Services - Employee Benefits	\$ 978,807	\$ (158,688)	\$ 820,119	1,620,603	(800,484)
Total Undistributed Expenses	2,394,956	(82,612)	2,312,344	2,884,737	(572,393)
TOTAL CURRENT EXPENSE	4,227,389	(77,289)	4,150,100	4,639,136	(489,036)
CAPITAL OUTLAY					
Assets Acquired Under Leases (Non-Budgeted):					
Regular Programs - Building				127,014	(127,014)
Total Assets Acquired Under Leases (Non-Budgeted)				127,014	(127,014)
TOTAL CAPITAL OUTLAY				127,014	(127,014)
TOTAL EXPENDITURES	4,227,389	(77,289)	4,150,100	4,766,150	(616,050)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	203,251		203,251	590,277	387,026

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Financing (Uses):					
Leases (Non-budgeted)	\$ (288,470)		\$ (288,470)	\$ 127,014	\$ 127,014
Transfer to Debt Service Fund				(288,441)	29
Total Other Financing (Uses)	<u>(288,470)</u>		<u>(288,470)</u>	<u>(161,427)</u>	<u>127,043</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	(85,219)		(85,219)	428,850	514,069
Fund Balance, July 1	1,322,590		1,322,590	1,322,590	
Fund Balance, June 30	<u>\$ 1,237,371</u>	<u>\$ -0-</u>	<u>\$ 1,237,371</u>	<u>\$ 1,751,440</u>	<u>\$ 514,069</u>
Recapitulation:					
Restricted for:				\$ 506	
Maintenance Reserve				75,220	
Charter School Escrow				9,714	
Unemployment Compensation					
Assigned to:					
Year-end Encumbrances				223,004	
Unassigned				1,442,996	
Fund Balance per Governmental Funds Budgetary/(GAAP) Basis				<u>\$ 1,751,440</u>	

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		\$ 29,769	\$ 29,769	\$ 20,078	\$ 9,691
State Sources		39,263	39,263	24,301	14,962
Federal Sources	\$ 81,086	501,029	582,115	293,717	288,398
<b>Total Revenues</b>	<b>81,086</b>	<b>570,061</b>	<b>651,147</b>	<b>338,096</b>	<b>313,051</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	15,000	132,770	147,770	33,873	113,897
General Supplies	19,086	117,137	136,223	125,491	10,732
<b>Total Instruction</b>	<b>34,086</b>	<b>249,907</b>	<b>283,993</b>	<b>159,364</b>	<b>124,629</b>
Support Services:					
Salaries of Other Professional Staff	10,000	30,750	40,750	34,167	6,583
Other Salaries		1,100	1,100	1,100	
Personal Services - Employee Benefits	7,819	17,602	25,421	11,157	14,264
Purchased Professional and Technical Services	200	75,914	76,114	8,792	67,322
Purchased Professional and Educational Services	28,981	27,916	56,897	56,897	
Purchased Property Services		8490	8,490	8,490	
Supplies and Materials		5,888	5,888	5,888	
Student Activities		27,269	27,269	27,269	
<b>Total Support Services</b>	<b>47,000</b>	<b>194,929</b>	<b>241,929</b>	<b>153,760</b>	<b>88,169</b>
Facilities Acquisition and Construction Services:					
Instructional Equipment		34,225	34,225	19,263	14,962
Non-Instructional Equipment		91,000	91,000	12,900	78,100
<b>Total Facilities Acquisition and Construction Services</b>		<b>125,225</b>	<b>125,225</b>	<b>32,163</b>	<b>93,062</b>
<b>Total Expenditures</b>	<b>\$ 81,086</b>	<b>\$ 570,061</b>	<b>\$ 651,147</b>	<b>\$ 345,287</b>	<b>\$ 305,860</b>
<b>Excess/(Deficit) of Revenue Over/(Under) Expenditures</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ (7,191)</b>	<b>\$ 7,191</b>

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 5,356,427	\$ 338,096
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not:		
Current Year Encumbrances -		
Federal		(688)
State		(19,263)
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 5,356,427	\$ 318,145
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 4,766,150	\$ 345,287
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Current Year Encumbrances		(19,951)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 4,766,150	\$ 325,336

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

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

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

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)



SPECIAL REVENUE FUND

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Elementary and Secondary Education Act		I.D.E.A.		
	Title I	Title IIA	Title IV	ARP I.D.E.A. Part B, Basic	I.D.E.A. Part B, Basic
<b>REVENUES:</b>					
Local Sources					
State Sources					
Federal Sources	\$ 18,336	\$ 4,256	\$ 9,999	\$ 4,350	\$ 61,341
Total Revenues	18,336	4,256	9,999	4,350	61,341
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	12,000		3,793		
General Supplies	936		2,499		
Total Instruction	12,936		6,292		
Support Services:					
Salaries of Other Professional Staff				3,000	6,000
Other Salaries					
Personal Services - Employee Benefits	5,400		1,707	1,350	2,700
Purchased Professional and Technical Services			2,000		
Purchased Professional and Educational Services		4,256			52,641
Purchased Property Services					
Supplies and Materials					
Student Activities					
Total Support Services	5,400	4,256	3,707	4,350	61,341
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Non-Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	\$ 18,336	\$ 4,256	\$ 9,999	\$ 4,350	\$ 61,341

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Education Stabilization Aid				
	Rural Education Achievement Program	CRRSA			
		ESSER II	Learning Acceleration	Mental Health	ARP ESSER III
REVENUES:					
Local Sources					
State Sources					
Federal Sources	\$ 24,623	\$ 54,698	\$ 20,370	\$ 29,669	\$ 65,225
Total Revenues	<u>24,623</u>	<u>54,698</u>	<u>20,370</u>	<u>29,669</u>	<u>65,225</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers		18,080			47,425
General Supplies	24,623	50,008			
Total Instruction	<u>24,623</u>	<u>50,008</u>	<u>18,080</u>		<u>47,425</u>
Support Services:					
Salaries of Other Professional Staff				25,167	
Other Salaries		1,100			
Personal Services - Employee Benefits					
Purchased Professional and Technical Services			2,290	4,502	
Purchased Professional and Educational Services					
Purchased Property Services		3,590			4,900
Supplies and Materials					
Student Activities					
Total Support Services		<u>4,690</u>	<u>2,290</u>	<u>29,669</u>	<u>4,900</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment					12,900
Non-Instructional Equipment					12,900
Total Facilities Acquisition and Construction Services					<u>25,800</u>
Total Expenditures	<u>\$ 24,623</u>	<u>\$ 54,698</u>	<u>\$ 20,370</u>	<u>\$ 29,669</u>	<u>\$ 65,225</u>

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	CARES Emergency Relief Grant	Preschool and Charter Security	School Development Authority Emergent Program	Student Activities Fund	Totals
<b>REVENUES:</b>					
Local Sources				\$ 20,078	\$ 20,078
State Sources		\$ 5,038	\$ 19,263		24,301
Federal Sources	850				293,717
<b>Total Revenues</b>	<b>850</b>	<b>5,038</b>	<b>19,263</b>	<b>20,078</b>	<b>338,096</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers					33,873
General Supplies					125,491
Total Instruction					159,364
Support Services:					
Salaries of Other Professional Staff					34,167
Other Salaries					1,100
Personal Services - Employee Benefits					11,157
Purchased Professional and Technical Services					8,792
Purchased Professional and Educational Services					56,897
Purchased Property Services	850	5,038			8,490
Supplies and Materials					5,888
Student Activities				27,269	27,269
<b>Total Support Services</b>	<b>850</b>	<b>5,038</b>		<b>27,269</b>	<b>153,760</b>
Facilities Acquisition and Construction Services:					
Instructional Equipment			19,263		19,263
Non-Instructional Equipment					12,900
<b>Total Facilities Acquisition and Construction Services</b>			<b>19,263</b>		<b>32,163</b>
<b>Total Expenditures</b>	<b>850</b>	<b>5,038</b>	<b>19,263</b>	<b>27,269</b>	<b>345,287</b>

CAPITAL PROJECTS FUND  
(NOT APPLICABLE)

PROPRIETARY FUNDS  
(NOT APPLICABLE)

FIDUCIARY ACTIVITIES  
(NOT APPLICABLE)

LONG-TERM DEBT



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

Purpose	Date of Issue	Original Issue	Maturities of Loans		Interest Rate	Balance June 30, 2021	Matured	Balance June 30, 2022
			Date	Outstanding June 30, 2022 Amount				
USDA Loan	12/27/10	\$ 1,870,000	06/30/23	\$ 53,201	3.75%			
			06/30/24	55,229	3.75%			
			06/30/25	57,337	3.75%			
			06/30/26	59,525	3.75%			
			06/30/27	61,794	3.75%			
			06/30/28	64,152	3.75%			
			06/30/29	66,600	3.75%			
			06/30/30	69,141	3.75%			
			06/30/31	71,779	3.75%			
			06/30/32	74,518	3.75%			
			06/30/33	77,359	3.75%			
			06/30/34	80,313	3.75%			
			06/30/35	83,376	3.75%			
			06/30/36	86,557	3.75%			
			06/30/37	89,858	3.75%			
			06/30/38	93,286	3.75%			
			06/30/39	96,846	3.75%			
			06/30/40	100,541	3.75%			
			06/30/41	40,709	3.75%	\$ 1,433,368	\$ 51,247	\$ 1,382,121

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

Purpose	Date of Issue	Original Issue	Maturities of Loans		Interest Rate	Balance June 30, 2021	Matured	Balance June 30, 2022
			Date	Outstanding June 30, 2022 Amount				
Sussex Bank	12/27/2010	\$ 3,000,000	06/30/23	\$ 124,034	3.00%			
			06/30/24	127,706	3.00%			
			06/30/25	131,799	3.00%			
			06/30/26	135,864	3.00%			
			06/30/27	140,054	3.00%			
			06/30/28	144,267	3.00%			
			06/30/29	148,824	3.00%			
			06/30/30	153,414	3.00%			
			06/30/31	158,146	3.00%			
			06/30/32	162,968	3.00%			
			06/30/33	168,051	3.00%			
			06/30/34	173,234	3.00%			
			06/30/35	178,578	3.00%			
			06/30/36	91,349	3.00%			
						\$ 2,158,611	\$ 120,323	\$ 2,038,288
						\$ 3,591,979	\$ 171,570	\$ 3,420,409

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOT APPLICABLE

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

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>(Restated) Balance July 1, 2021</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2022</u>
Ricoh Copier Lease	10.00%	\$23,582	\$ 23,207		\$ 4,542	\$ 18,665
16 Roosevelt Dr. Building Lease	3.50%	127,014	<u>                    </u>	<u>\$127,014</u>	<u>24,732</u>	<u>102,282</u>
			<u>\$ 23,207</u>	<u>\$127,014</u>	<u>\$ 29,274</u>	<u>\$ 120,947</u>

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>				
Regular Debt Service:				
Interest	\$ 124,025	\$ 124,025	\$ 116,871	\$ 7,154
Redemption of Principal	<u>164,445</u>	<u>164,445</u>	<u>171,570</u>	<u>7,125</u>
Total Regular Debt Service	<u>288,470</u>	<u>288,470</u>	<u>288,441</u>	<u>14,279</u>
Total Expenditures	<u>288,470</u>	<u>288,470</u>	<u>288,441</u>	<u>29</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(288,470)</u>	<u>(288,470)</u>	<u>(288,441)</u>	<u>(29)</u>
Other Financing Sources:				
Operating Transfer In	<u>288,470</u>	<u>288,470</u>	<u>288,441</u>	<u>29</u>
Total Other Financing Sources	<u>288,470</u>	<u>288,470</u>	<u>288,441</u>	<u>29</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	- 0 -	- 0 -	- 0 -	- 0 -
Fund Balance, July 1	- 0 -	- 0 -	- 0 -	- 0 -
Fund Balance, June 30	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

**STATISTICAL SECTION**  
**(UNAUDITED)**

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

**Contents**

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

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(UNAUDITED)

(Accrual Basis of Accounting)

June 30,

	2013	2014	2015	2016	2017	2018	2019	2020	(Restated) 2021	2022
Governmental Activities:										
Net Investment in Capital Assets	\$ 942,416	\$ 1,143,469	\$ 1,277,157	\$ 1,312,594	\$ 1,164,808	\$ 930,812	\$ 983,723	\$ 1,057,619	\$ 1,098,915	\$ 1,146,626
Restricted	80,054	89,057	145,494	75,503	75,521	75,530	75,544	99,819	97,091	94,427
Unrestricted/(Deficit)	264,118	(202,558)	(110,896)	(89,116)	(482,807)	(492,275)	(454,303)	(110,866)	351,304	883,699
Total Governmental	\$ 1,286,588	\$ 1,029,968	\$ 1,311,755	\$ 1,298,981	\$ 757,522	\$ 514,067	\$ 604,964	\$ 1,046,572	\$ 1,547,310	\$ 2,124,752
Activities Net Position										

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Accrual Basis of Accounting)*

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 1,598,976	\$ 1,753,069	\$ 2,151,111	\$ 2,581,125	\$ 3,100,754	\$ 3,453,606	\$ 3,105,757	\$ 2,950,878	\$ 2,830,854	\$ 2,778,393
Special Education	191,129	156,145	205,211	224,235	52,335	189,554	182,514	185,942	138,092	123,991
Other Instruction			75,557	89,866	123,651	153,499	132,454	116,643	154,955	189,949
Support Services:										
Student & Instruction Related Services			408,086	374,436	358,024	271,454	337,639	313,822	539,172	664,850
General Administration Services	625,620	750,688	217,615	412,263	465,246	449,344	380,847	304,514	314,058	314,601
School Administration Services	520,984	580,474	138,034	131,650	138,599	155,674	150,839	132,375	135,708	69,700
Central Services			152,203	187,954	219,783	149,420	143,879	156,385	381,177	220,004
Administrative Information Technology						27,102	35,878	42,475	15,540	57,987
Plant Operations And Maintenance			239,406	232,252	504,490	337,460	277,156	267,479	140,320	351,139
Pupil Transportation		76,340	6,665	7,403	6,447	11,290	10,092	1,927	42,095	1,220
Capital Outlay			39,736	24,395	3,827					12,900
Unallocated Depreciation								111,361	110,021	110,860
Interest on Long-Term Debt	295,062	225,014	225,921	208,788	182,551	165,683	160,284	158,188	136,351	116,871
Total Governmental Activities Expenses	3,231,771	3,541,730	3,859,545	4,474,367	5,155,707	5,364,086	4,917,339	4,741,989	4,938,343	5,012,465
Total Charter School-Wide Expenses	3,231,771	3,541,730	3,859,545	4,474,367	5,155,707	5,364,086	4,917,339	4,741,989	4,938,343	5,012,465
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Student & Instruction Related Services									6,425	20,078
Operating Grants and Contributions	452,890	355,171	707,551	460,549	524,801	973,927	399,431	330,645	354,649	991,797
Total Governmental Activities Program Revenues	452,890	355,171	707,551	460,549	524,801	973,927	399,431	330,645	361,074	1,011,875
Total Charter School-Wide Program Revenues	452,890	355,171	707,551	460,549	524,801	973,927	399,431	330,645	361,074	1,011,875
Net (Expenses)/Revenues										
Governmental Activities	(2,778,881)	(3,186,559)	(3,151,994)	(4,013,818)	(4,630,906)	(4,390,159)	(4,517,908)	(4,411,344)	(4,577,269)	(4,000,590)
Total Charter School-Wide Net (Expenses)/Revenues	(2,778,881)	(3,186,559)	(3,151,994)	(4,013,818)	(4,630,906)	(4,390,159)	(4,517,908)	(4,411,344)	(4,577,269)	(4,000,590)



SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

*(Accrual Basis of Accounting)*

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Local Property Taxes - Charter School Aid	\$ 2,233,073	\$ 2,371,406	\$ 2,277,903	\$ 2,575,496	\$ 2,413,828	\$ 2,542,787	\$ 2,839,808	\$2,935,953	\$ 3,283,909	\$ 3,327,618
Unrestricted Federal and State Aid	916,531	1,006,678	1,132,068	1,412,788	1,669,497	1,734,168	1,763,313	1,829,454	1,794,396	1,166,268
Investment Earnings	240	206	156	187	246	645	1,416	1,196	207	
Miscellaneous Income	5,306	18,460	23,654	12,573	5,876	104,931	4,268	13,296	1,122	84,146
Cancellation of Prior Year Payable		20,044							(1,609)	
Total Governmental Activities General Revenues & Other Changes	3,155,150	3,416,794	3,433,781	4,001,044	4,089,447	4,382,531	4,608,805	4,779,899	5,078,025	4,578,032
Total Charter School-Wide General Revenues and Other Changes in Net Position	3,155,150	3,416,794	3,433,781	4,001,044	4,089,447	4,382,531	4,608,805	4,779,899	5,078,025	4,578,032
Change in Net Position:										
Governmental Activities	(31,409)	264,800	(580,037)	(629,862)	(541,459)	(7,628)	90,897	368,555	500,756	577,442
Total Charter School-Wide Change in Net Position	\$ (31,409)	\$ 264,800	\$ (580,037)	\$ (629,862)	\$ (541,459)	\$ (7,628)	\$ 90,897	\$ 368,555	\$ 500,756	\$ 577,442

General Revenues and Other Changes in Net Position:

Governmental Activities:

Local Property Taxes - Charter School Aid

Unrestricted Federal and State Aid

Investment Earnings

Miscellaneous Income

Cancellation of Prior Year Payable

Total Governmental Activities General Revenues

& Other Changes

Total Charter School-Wide General Revenues and

Other Changes in Net Position

Change in Net Position:

Governmental Activities

Total Charter School-Wide Change in Net Position

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

(UNAUDITED)

*(Modified Accrual Basis of Accounting)*

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Restricted	\$ 80,054	\$ 89,257	\$ 145,494	\$ 75,503	\$ 75,521	\$ 75,530	\$ 75,544	\$ 80,270	\$ 80,913	\$ 85,440
Assigned	117,733	33,073	15,011	119,659	226,899	1,360	1,154	25,479	85,219	223,004
Unassigned	234,116	293,469	386,531	368,729	302,420	313,820	365,734	735,714	1,156,458	1,442,996
Total General Fund	431,903	415,799	547,036	563,891	302,420	390,710	442,432	841,463	1,322,590	1,751,440
All Other Governmental Funds:										
Restricted								19,549	16,178	8,987
Total All Other Governmental Funds								19,549	16,178	8,987
Total Governmental Funds	\$ 431,903	\$ 415,799	\$ 547,036	\$ 563,891	\$ 302,420	\$ 390,710	\$ 442,432	\$ 861,012	\$ 1,338,768	\$ 1,760,427

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

LAST TEN FISCAL YEARS

(UNAUDITED)

(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues:</b>										
Tax Levy	\$ 2,233,073	\$ 2,371,406	\$ 2,277,903	\$ 2,575,496	\$ 2,413,828	\$ 2,542,787	\$ 2,839,808	\$ 2,935,953	\$ 3,283,909	\$ 3,327,618
Miscellaneous	5,546	18,666	23,810	12,760	6,122	105,576	5,684	14,492	7,754	104,224
State Sources	1,276,670	1,257,889	1,443,873	1,326,210	1,419,218	1,737,899	1,723,261	1,829,454	1,794,396	1,949,701
Federal Sources	92,751	103,960	115,199	106,573	105,828	112,060	86,542	106,093	148,170	293,029
<b>Total Revenue</b>	<b>3,608,040</b>	<b>3,751,921</b>	<b>3,860,785</b>	<b>4,021,039</b>	<b>3,944,996</b>	<b>4,498,322</b>	<b>4,655,295</b>	<b>4,885,992</b>	<b>5,234,229</b>	<b>5,674,572</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	1,081,267	1,202,724	1,241,053	1,423,182	1,577,785	1,605,766	1,610,962	1,579,707	1,517,510	1,726,421
Special Education Instruction	191,129	156,145	138,950	146,323	52,335	117,868	124,941	121,449	71,010	72,861
Other Instruction			44,385	51,581	68,044	75,394	72,679	64,647	82,182	113,793
<b>Support Services:</b>										
Student & Instruction Related Services			320,917	279,503	259,844	197,390	266,309	211,466	432,169	558,529
General Administration Services	367,288	442,051	169,434	298,939	289,695	288,948	268,879	228,699	255,463	263,769
School Administration Services	523,312	583,523	113,933	88,210	91,008	95,241	86,268	86,968	96,206	57,105
Central Services			125,934	155,551	176,045	102,412	104,772	107,101	102,210	169,653
Administrative Information Technology			216,471	198,137	289,045	255,220	247,592	216,857	349,014	317,195
Plant Operations And Maintenance			6,665	7,403	6,447	11,290	10,092	1,927	6,300	1,220
Pupil Transportation	706,833	789,774	876,899	1,011,373	1,083,120	1,324,129	1,505,980	1,532,860	1,501,849	1,620,603
Unallocated Benefits	119,673	143,938	75,428	24,395	3,827					139,914
Capital Outlay										
Debt Service:										
Principal	261,480	245,100	173,358	110,799	126,721	143,589	148,989	151,085	162,505	171,570
Interest and Other Charges	308,634	225,014	225,921	208,788	182,551	165,683	160,284	158,188	136,351	116,871
<b>Total Expenditures</b>	<b>3,559,616</b>	<b>3,788,269</b>	<b>3,729,348</b>	<b>4,004,184</b>	<b>4,206,467</b>	<b>4,410,032</b>	<b>4,643,625</b>	<b>4,491,532</b>	<b>4,754,864</b>	<b>5,379,927</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>48,424</b>	<b>(36,348)</b>	<b>131,437</b>	<b>16,855</b>	<b>(261,471)</b>	<b>88,290</b>	<b>11,670</b>	<b>394,460</b>	<b>479,365</b>	<b>294,645</b>
<b>Other Financing Sources:</b>										
Leases (Non-budgeted)										127,014
Cancellation of Prior Year (Receivable)/Payable		20,044							(1,609)	
<b>Net Change In Fund Balances</b>	<b>\$ 48,424</b>	<b>\$ (36,348)</b>	<b>\$ 131,437</b>	<b>\$ 16,855</b>	<b>\$ (261,471)</b>	<b>\$ 88,290</b>	<b>\$ 11,670</b>	<b>\$ 394,460</b>	<b>\$ 477,756</b>	<b>\$ 421,659</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>16.57%</b>	<b>12.90%</b>	<b>10.93%</b>	<b>8.03%</b>	<b>7.36%</b>	<b>7.01%</b>	<b>6.66%</b>	<b>6.89%</b>	<b>6.29%</b>	<b>5.50%</b>

Source: Sussex County Charter School for Technology Financial Reports.

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

Fiscal Year Ended June 30,	Interest on Investments	Local Levy - Charter School Aid	Other	Total
2013	\$ 240	\$ 2,233,073	\$ 5,306	\$ 2,238,619
2014	206	2,371,406	18,460	2,390,072
2015	156	2,277,903	23,654	2,301,713
2016	187	2,575,496	12,573	2,588,256
2017	246	2,413,828	5,876	2,419,950
2018	645	2,542,787	104,931	2,648,363
2019	1,415	2,839,808	4,269	2,845,492
2020	1,196	2,935,953	13,296	2,950,445
2021	207	3,283,909	1,122	3,285,238
2022	146	3,327,618	84,000	3,411,764

Source: Sussex County Charter School for Technology Financial Reports.

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

<u>Year</u>	<u>Sussex County Population<sup>a</sup></u>	<u>Sussex County Per Capita Personal Income<sup>b</sup></u>	<u>Sussex County Personal Income<sup>c</sup></u>	<u>Sussex County Unemployment Rate<sup>d</sup></u>
2013	145,672	\$ 51,724	\$ 7,534,738,528	6.00%
2014	144,639	54,116	7,827,284,124	6.20%
2015	143,059	55,722	7,971,533,598	5.20%
2016	142,004	57,327	8,140,663,308	4.70%
2017	141,267	59,144	8,355,095,448	4.40%
2018	140,995	61,531	8,675,563,345	4.00%
2019	140,710	64,284	9,045,401,640	3.40%
2020	140,002	67,814	9,494,095,628	9.40%
2021	145,543	67,814 **	9,869,853,002 **	5.90%
2022	145,543 *	67,814 **	9,869,853,002 **	N/A

N/A - Information is not available.

\* - Latest Sussex County population (2021) available was used for calculation purposes.

\*\* - Latest Sussex County per capita personal income available (2020) was used for calculation purposes.

Sources:

- <sup>a</sup> Population information provided by the NJ Department of Labor and Workforce Development.
- <sup>b</sup> Per capita personal income by county estimated based upon the 2020 Census published by the US Bureau of Economic Analysis.
- <sup>c</sup> Personal income has been estimated based upon the county population and per capita personal income presented.
- <sup>d</sup> Unemployment data provided by the NJ Department of Labor and Workforce Development.

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

	2022		2013		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
Selective Insurance Group Inc.		1,000-4,999	Crystal Springs Golf and Spa Resort	2,000	2.61%
Crystal Springs Resort		1,000-4,999	Newton Memorial Hospital	1,200	1.56%
Newton Medical Center		500-999	Selective Insurance	900	1.17%
Sussex County Offices		500-999	County of Sussex	830	1.08%
Thoriabs		500-999	Mountain Creek Resort	800	1.04%
Mountain Creek Resort		500-999	Ames Rubber Corp	445	0.58%
Shop Rite		250-499	Shop Rite (Ronetco)	301	0.39%
Sussex County Community College		250-499	Andover Subacute & Rehab Center	300	0.39%
United Methodist Community Bristol Glen		250-499	Sussex County Community College	300	0.39%
Andover Subacute & Rehab Center		100-249	SCARC, Inc.	287	0.37%
		<u>4,850-15,740</u>	Total	<u>7,363</u>	<u>9.60%</u>
Total Employment - Sussex County		<u>71,425</u>	Total Employment	<u>76,713</u>	

Source: County of Sussex

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction:										
Regular	20.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Other Instruction	3.5	3.5	3.5	4.0	4.0	4.0	4.0	4.0	3.0	5.0
Support Services:										
General Administration Services	5.5	5.5	5.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School Administration Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Central Services	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Plant Operations and Maintenance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Total</b>	<b>36.5</b>	<b>38.5</b>	<b>38.5</b>	<b>36.5</b>	<b>36.5</b>	<b>36.5</b>	<b>36.5</b>	<b>36.5</b>	<b>35.5</b>	<b>37.0</b>

Source: Sussex County Charter School for Technology Business Office.

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>b</sup>	Percent Change	Teaching Staff <sup>c</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>d</sup>	Average Daily Attendance (ADA) <sup>d</sup>	% Change Average Daily Enrollment	Student Attendance Percentage
						Middle	Overall				
2013	225.0	\$ 2,869,829	\$ 12,755	5.98%	20.0	11.1	224.7	212.9	12.69%	94.75%	
2014	225.0	3,174,217	14,108	17.22%	22.0	10.2	224.8	212.6	12.74%	94.57%	
2015	225.0	3,254,641	14,465	13.41%	22.0	10.2	221.5	209.0	-1.42%	94.36%	
2016	225.0	3,660,202	16,268	15.31%	24.0	9.4	225.0	212.6	0.09%	94.49%	
2017	225.0	3,893,368	17,304	19.63%	24.0	9.0	215.5	203.6	-4.22%	94.48%	
2018	225.0	4,100,760	18,226	12.04%	24.0	9.0	223.0	209.8	3.48%	94.08%	
2019	225.0	4,334,352	19,264	11.33%	24.0	9.0	224.0	211.2	0.43%	94.28%	
2020	225.0	4,182,259	18,588	1.99%	24.0	9.0	223.8	213.2	-0.07%	95.26%	
2021	225.0	4,456,008	19,804	2.81%	23.0	9.0	224.5	218.5	0.31%	97.33%	
2022	225.0	4,951,572	22,007	18.39%	22.0	10.2	222.5	208.5	-0.89%	93.71%	

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

<sup>a</sup> Operating expenditures equal total expenditures less debt service and capital outlay.

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

<sup>c</sup> Teaching staff includes only full-time equivalents of certificated staff.

<sup>d</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Source: Sussex County Charter School for Technology Business Office.



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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Building</u>										
Sussex County Charter School	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Square Feet	200	225	225	225	225	225	225	225	225	225
Capacity (Students)	200	225	225	225	225	225	225	225	225	225
Enrollment										

Number of Schools at June 30, 2022:  
 Other = 1

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

Source: Sussex County Charter School for Technology Business Office.

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

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

<u>Fiscal Year</u> <u>Ended</u> <u>June 30</u>	<u>Sussex County</u> <u>Charter School</u> <u>for Technology</u>	<u>Total</u> <u>School</u> <u>Facilities</u>
2013	\$ 14,225	\$ 14,225
2014	85,621	85,621
2015	59,750	59,750
2016	72,460	72,460
2017	81,015	81,015
2018	73,578	73,578
2019	70,882	70,882
2020	56,638	56,638
2021	101,556	101,556
2022	66,347	66,347

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
INSURANCE SCHEDULE  
JUNE 30, 2022  
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSIG:		
Blanket Building and Contents:		
Each Occurrence	\$ 5,910,200	\$ 1,000
Blanket Hardware and Software:		
Each Occurrence	305,130	1,000
Blanket Business Income:		
Each Occurrence	3,600,000	1,000
Boiler and Machinery:		
Each Occurrence	5,910,200	25,000
Crime/Faithful Performance:		
Each Occurrence	100,000	500
Comprehensive General Liability:		
Each Occurrence	6,000,000	
Sexual Abuse Liability:		
Each Occurrence	6,000,000	
Comprehensive Automobile Liability:		
Combined single limit (each accident)	6,000,000	
Employee Benefits Liability:		
Each Occurrence	6,000,000	1,000
Environmental Liability:		
Each Occurrence	1,000,000	50,000
School Board Legal Liability:		
Each Occurrence	6,000,000	5,000
Workers Compensation:		
Each Occurrence	3,000,000	
Student Accident:		
Each Occurrence	1,000,000	
Public Official Bond - The Hanover Insurance Group		
School Business Administrator	125,000	
Treasurer	125,000	

Source: Sussex County Charter School for Technology Business Office.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGYFINAL PERFORMANCEJUNE 30, 2022

(UNAUDITED)

	2020	Restated 2021	2022	
Cash	\$ 742,405	\$ 1,300,086	\$ 1,884,242	
Current Assets	192,033	168,355	182,721	
Capital Assets and Lease, Net	4,812,103	4,714,101	4,687,982	
Total Assets	<u>5,746,541</u>	<u>6,182,542</u>	<u>6,754,945</u>	
Deferred Outflows	<u>505,999</u>	<u>354,264</u>	<u>224,307</u>	
Current Liabilities	138,546	179,673	356,536	
Long Term Liabilities	4,608,636	4,321,434	4,052,348	
Total Liabilities	<u>4,747,182</u>	<u>4,501,107</u>	<u>4,408,884</u>	
Deferred Inflows	<u>531,839</u>	<u>488,389</u>	<u>445,616</u>	
Net Position	<u>\$ 973,519</u>	<u>\$ 1,547,310</u>	<u>\$ 2,124,752</u>	
Total Revenue	\$ 5,110,544	\$ 5,439,099	\$ 5,589,907	
Total Expenses	<u>4,741,989</u>	<u>4,938,343</u>	<u>5,012,465</u>	
Change in Net Position	<u>\$ 368,555</u>	<u>\$ 500,756</u>	<u>\$ 577,442</u>	
Depreciation Expense	\$ 122,471	\$ 121,191	\$ 122,115	
Lease Amortization Expense		393	30,119	
Principal Payments	151,085	162,880	200,844	
Interest Payments	158,188	136,389	121,827	
Final Average Daily Enrollment	224.00	224.00	224.00	
March 30th Budgeted Enrollment	225.00	225.00	225.00	
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>3 Year Cumulative</u>
Near Term Indicators:				
Current Ratio	1.39	0.94	0.51	0.80
Unrestricted Days Cash	47.15	76.75	101.81	212.18
Enrollment Variance	-0.44%	-0.44%	-0.44%	-0.44%
Default	No	No	No	No
Sustainability Indicators:				
Total Margin	7.21%	9.21%	10.33%	8.96%
Debt to Asset	0.83	0.73	0.65	0.73
Cash Flow	\$ 329,355	\$ 557,681	\$ 584,156	\$ 1,141,837
Debt Service Coverage Ratio	1.59	2.08	2.26	1.95

SINGLE AUDIT SECTION



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities and each major fund of the Sussex County Charter School for Technology, in the County of Sussex (the "Charter School") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued our report thereon dated October 20, 2022. That report included a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Charter School’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 20, 2022  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Valerie A Dolan*  
\_\_\_\_\_  
Valerie A. Dolan  
Licensed Public School Accountant #2526  
Certified Public Accountant

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

Independent Auditors' Report

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

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited the Sussex County Charter School for Technology's (the "Charter School's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Charter School's major state programs for the fiscal year ended June 30, 2022. The Charter School's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District 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 program for the fiscal year ended June 30, 2022.

***Basis for Opinion on Each Major State Program***

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

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



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

***Responsibilities of Management for Compliance***

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

***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

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

**Report on Internal Control Over Compliance**

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

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

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

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

October 20, 2022  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Valerie A Dolan*  
\_\_\_\_\_  
Valerie A. Dolan  
Licensed Public School Accountant #2526  
Certified Public Accountant

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor/Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2021		Cash Received	Budgetary Expenditures	Paid to the Grantor	Balance, June 30, 2022		Amount Provided to Subrecipients
					Due to Grantor	Accounts Receivable				Due to Grantor	Accounts Receivable	
<b>Special Revenue Fund:</b>												
US Department of Education Passed-through State of New Jersey Department of Education												
Special Education Cluster:												
IDEA- B, Basic	84.027	IDEA7850-21	7/1/20-9/30/21	57,492	\$ (6,930)	\$ 6,930						
IDEA- B, Basic	84.027	IDEA7850-22	7/1/21-9/30/22	61,341		44,124	\$ (61,341)			\$ (17,217)		
ARP - IDEA- B, Basic	84.173X	IDEA7850-22	7/1/21-9/30/22	10,612		3,000	(4,350)			(1,350)		
Total Special Education Cluster						54,054	(65,691)			(18,567)		
Elementary and Secondary Education Act												
Title I - Part A	84.010A	ESEA7850-21	7/1/20-9/30/21	19,456	(5,431)	5,431						
Title I - Part A	84.010A	ESEA7850-22	7/1/21-9/30/22	18,336		12,000	(18,336)			(6,336)		
Subtotal Title I						17,431	(18,336)			(6,336)		
Title II - Part A	84.367A	ESEA7850-20	7/1/19-9/30/20	4,040	\$ 69			\$ (69)				
Title II - Part A	84.367A	ESEA7850-21	7/1/20-9/30/21	3,908	(514)	514	(4,256)					
Title II - Part A	84.367A	ESEA7850-22	7/1/21-9/30/22	4,256		4,256	(4,256)					
Subtotal Title II - Part A						4,770	(4,256)		(69)			
Title IV	84.168A	ESEA7850-21	7/1/20-9/30/21	10,000	(3,794)	3,794						
Title IV	84.168A	ESEA7850-22	7/1/21-9/30/22	10,000		6,081	(9,999)			(3,918)		
Subtotal Title IV						9,875	(9,999)			(3,918)		
Rural Education Achievement Program	84.358	S358A083261	7/1/16-6/30/17	26,787				(89)				
Rural Education Achievement Program	84.358	S358A083261	7/1/21-9/30/22	24,623		24,623	(24,623)					
Subtotal Rural Education Achievement Program						24,623	(24,623)	(89)				
Education Stabilization Fund:												
COVID-19 - CARES Emergency Relief	84.425D	CARES7850-20	3/13/20-9/30/22	16,414	(107)	957	(850)					
COVID-19 - ESSER II	84.425D	N/A	3/13/20-9/30/23	63,772		53,568	(54,698)			(1,130)		
COVID-19 - CRRSA - Learning Acceleration	84.425D	N/A	3/13/20-9/30/23	25,000		16,570	(20,370)			(3,800)		
COVID-19 - CRRSA - Mental Health	84.425D	N/A	3/13/20-9/30/23	45,000		24,089	(29,669)			(5,580)		
COVID-19 - ARP - ESSER III	84.425U	N/A	3/13/20-9/30/24	143,325		28,657	(65,225)			(36,568)		
Total Education Stabilization Fund						123,841	(170,812)			(47,078)		
Total U.S. Department of Education					158	234,594	(293,717)	(158)		(75,899)		
Total Federal Awards					\$ 158	\$ 234,594	\$ (293,717)	\$ (158)		\$ (75,899)		\$ - 0 -

N/A - Not Applicable/Available

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Project Number	Grant Period	Award Amount	MEMO		Cumulative Total Expenditures
				June 30, 2021 (Accounts Receivable)	June 30, 2022 GAAP Receivable	
<b>State Department of Education:</b>						
<b>General Fund:</b>						
Equalization Aid (Charter School Aid)	21-495-034-7850-003	7/01/20-6/30/21	\$ 863,447	\$ (56,041)	\$ 56,041	\$ 863,447
Special Education Aid	21-495-034-5120-089	7/01/20-6/30/21	183,732	(16,463)	16,463	183,732
Security Aid	21-495-034-5120-084	7/01/20-6/30/21	36,344	(2,218)	2,218	36,344
Equalization Aid (Charter School Aid)	22-495-034-7850-003	7/01/21-6/30/22	809,222		791,488	809,222
Special Education Aid	22-495-034-5120-089	7/01/21-6/30/22	184,605		178,502	184,605
Security Aid	22-495-034-5120-084	7/01/21-6/30/22	31,906		30,905	31,906
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/01/20-6/30/21	124,149	(6,924)	6,924	124,149
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/01/21-6/30/22	140,535		132,989	140,535
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/01/21-6/30/22	147,351		147,351	147,351
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/01/21-6/30/22	621,899		621,899	621,899
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/01/21-6/30/22	8,774		8,774	8,774
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/01/21-6/30/22	371		371	371
<b>Total General Fund</b>				(81,646)	1,993,925	3,152,335
<b>Special Revenue Fund:</b>						
Preschool and Charter Security Grant	21E00244	10/13/21-6/30/23	20,000			5,038
<b>Total Special Revenue Fund</b>						5,038
<b>Total State Department of Education</b>				(81,646)	1,993,925	3,176,636
<b>NI Schools Development Authority:</b>						
<b>Special Revenue Fund:</b>						
School Development Authority - Emergent Program	N/A	7/1/21-6/30/22	19,263			19,263
<b>Total State Awards</b>				(81,646)	1,993,925	3,195,899
<b>Less: State Awards Not Subject to Single Audit Major Program Determination</b>						
<b>On-Behalf TPAF Pension System Contributions:</b>						
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/01/21-6/30/22	(147,351)			147,351
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/01/21-6/30/22	(621,899)			621,899
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/01/21-6/30/22	(8,774)			8,774
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/01/21-6/30/22	(371)			371
Subtotal - On-Behalf TPAF Pension System Contributions						778,395
<b>Total State Awards Subject to Single Audit Major Program Determination</b>						<b>\$ (1,209,832)</b>
N/A - Not Applicable						

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

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards include federal and state grant activity of the Board of Trustees, Sussex County Charter School for Technology under programs of the federal and state governments for the fiscal year ended June 30, 2022. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Charter School, they are not intended to and do not present the financial position, changes in net position or cash flows of the Charter School.

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

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

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis is \$-0- for the General Fund and (\$19,951) for the Special Revenue Fund. See Exhibit C-3 for a reconciliation of revenue from the budgetary basis to the GAAP basis of accounting for the General and Special Revenue Funds. Revenue from Federal and State awards is reported on the Charter School’s basic financial statements on a GAAP basis as presented below:

	Federal	State	Total
General Fund		\$ 1,944,663	\$ 1,944,663
Special Revenue Fund	\$ 293,029	5,038	298,067
	\$ 293,029	\$ 1,949,701	\$ 2,242,730

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers’ share of social security contributions for TPAF members for the year ended June 30, 2022.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the financial statements as the Charter School's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America..
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the Charter School which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by NJOMB 15-08*.
- The auditor's report on compliance for the major state programs for the Charter School expresses an unmodified opinion on all major state programs.
- The Charter School was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2022 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The Charter School's programs tested as major state programs for the current fiscal year consisted of the following:

<u>Program Title</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Equalization Aid (Charter School Aid)	22-495-034-7850-003	7/1/21 - 6/30/22	\$ 809,222	\$ 809,222
Special Education Aid	22-495-034-5120-089	7/1/21 - 6/30/22	184,605	184,605
Security Aid	22-495-034-5120-084	7/1/21 - 6/30/22	31,906	31,906

- The threshold used for distinguishing between Type A and Type B for state programs was \$750,000.
- The Charter School was determined to be a "low-risk auditee" for state programs.

Findings Related to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

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Findings and Questioned Costs for Federal Awards:

- Not applicable since expenditures of Federal awards were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.



SUSSEX COUNTY CHARTER SCHOOL FOR TECHNOLOGY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2022

Status of Prior Year Findings:

There were no prior year audit findings.