

# **Millville Public Charter School**

Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2023

**MILLVILLE PUBLIC CHARTER SCHOOL**  
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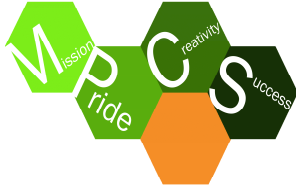
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## **INTRODUCTORY SECTION**



**MILLVILLE PUBLIC CHARTER SCHOOL**  
**1101 WHEATON AVENUE, SUITE 220**  
**MILLVILLE, NJ 08332**  
**856-506-8143**



**Matthew Ackiewicz**  
Superintendent

**Dennis Zakroff**  
Board Secretary/Business Administrator

**The Honorable President and  
Members of the Board of Trustees  
Millville Public Charter School  
Millville, New Jersey 08332**

**Dear Board Members:**

**The annual comprehensive financial report of the Millville Public Charter School (District) for the fiscal year ended June 30, 2023, 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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the School. All disclosures necessary to enable the reader to gain an understanding of the 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 School's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The School is required to undergo an annual single audit in conformity with the provisions of OMB Uniform Guidance, Audits of States, Local Government, and Non-Profit Organizations, and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and questioned costs, are included in the single audit section of this report.**

**1) REPORTING ENTITY AND ITS SERVICES:** The Millville Public Charter School reports in accordance with GASB Statements No. 14, The Financial Reporting Entity, as amended. Blended component units, although legally separate entities, are in-substance part of the government's operations. All funds of the School are included in this report.

The School provides a full range of educational services appropriate for students in Kindergarten through Grade 8. These services include general education, special education for students with disabilities, as well as basic skills instruction for students in need of intervention. The School completed the 2022-2023 fiscal year with an enrollment of 306 students in grades K-8. The following details the changes in the student enrollment of the District.

<b>Student Fiscal Year</b>	<b>Enrollment as of June 30<sup>th</sup></b>	<b>Percent Change</b>
22-23	306	7.37%
21-22	285	15.43%
20-21	241	6%
19-20	227.3	11.97%
18-19	203	-25.9%
17-18	274	-10%
16-17	304	18%
15-16	249	13.25%
14-15	216	19%
13-14	176	24%

**2) ECONOMIC CONDITION AND OUTLOOK:** Millville Public Charter School maximum enrollment is 339 students as set forth in the charter in the 2023-2024 school year. Current enrollment projections have the number closer to 310 students.

The School is situated at 1101 Wheaton Ave. Suite 220, Millville NJ 08332.

**3) MAJOR INITIATIVES:** The district sponsored a number of initiatives aimed at increasing student academic achievement including but not limited to enhancing the leadership capacity of employees, providing consistent and meaningful professional development, improving the instructional program by augmenting instructional strategies, and using data more effectively and efficiently. The initiatives were meant to serve all students.

**4) INTERNAL ACCOUNTING CONTROLS:** Management of the School is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to



allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that: (1) the costs 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 recipient of Federal and State financial aid, the School also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the School management.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2023.

**6) ACCOUNTING SYSTEM AND REPORTS:** The School's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the School is organized on the basis of funds. The funds are explained in "Notes to Financial Statement", Note 1.

**7) CASH MANAGEMENT:** The investment policy of the School is guided in large part by State statute as detailed in "Notes to Financial Statements", Note 2. The 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 failed banking institutions

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, directors and officers liability, child molestation, accident insurance, workers compensation, hazard and theft on property and contents, benefits and surety bonds.

**9) OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of OMB Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements, combining and individual fund statements, and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**10) ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Board of Trustees for their concern in providing fiscal accountability to all stakeholders in the school community and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

Respectfully submitted,



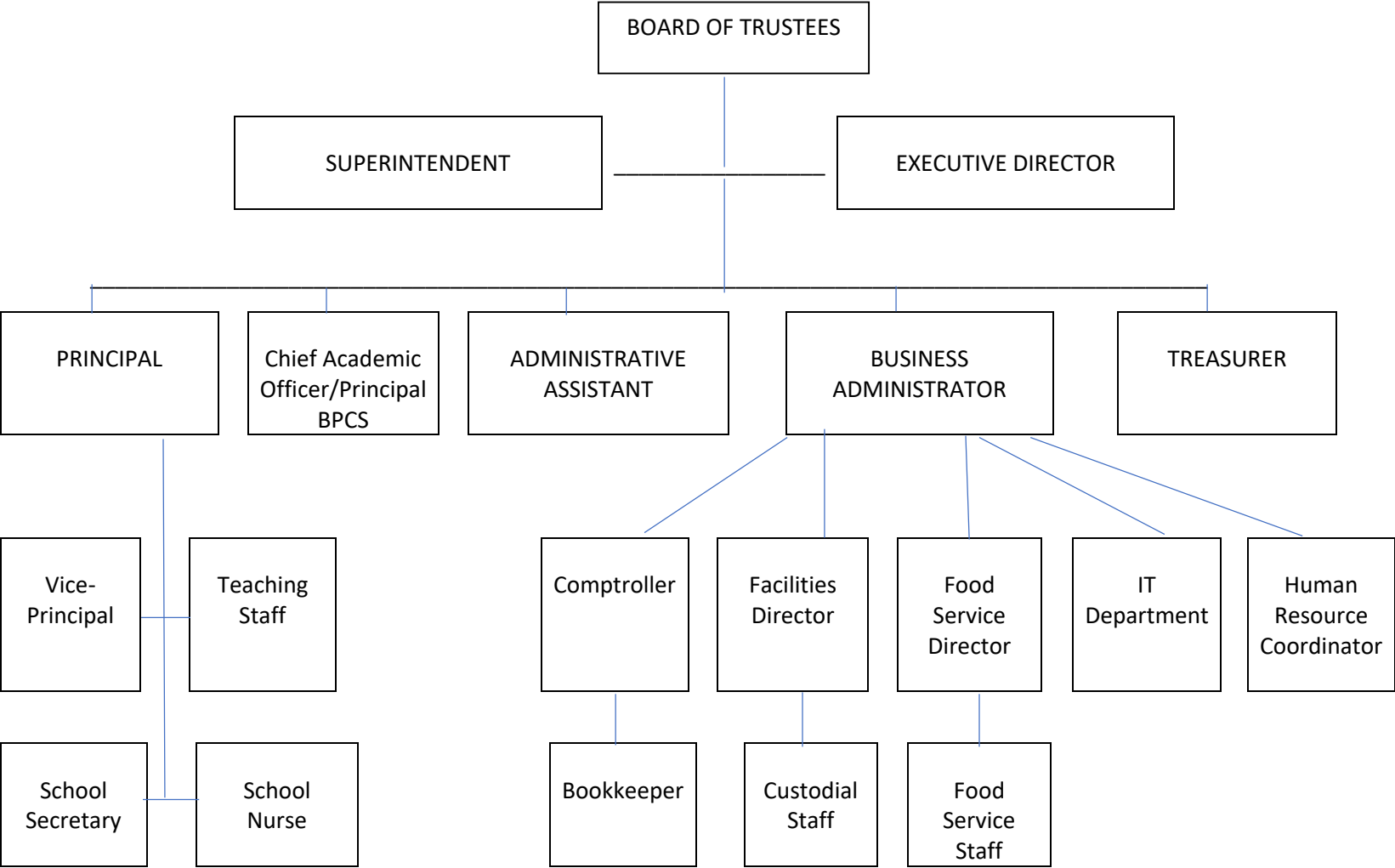
**Matthew Ackiewicz**  
Superintendent



**Dennis Zakroff**  
Board Secretary/Business Administrator

Cumberland County Charter School Network  
 Vineland, Millville, and Bridgeton Public Charter School

Organizational Chart



**MILLVILLE PUBLIC CHARTER SCHOOL  
MILLVILLE, NEW JERSEY**

**ROSTER OF OFFICIALS  
June 30, 2023**

**Members of the Board of Trustees**

**Officers:**

David Parkhill  
Ellen Booz

President  
Vice President

**Board Members:**

Elizabeth Anekwe  
Clarence Gunter  
Lakeshya Williams

**Staff:**

Dr. Ann Garcia  
Esteban J. Garcia III  
Dennis Zakroff

Executive Director  
Deputy Director  
Board Secretary / Business Administrator

**MILLVILLE PUBLIC CHARTER SCHOOL  
MILLVILLE, NEW JERSEY**

**Consultants & Advisors**

**Audit Firm:**

Bowman & Company LLP  
601 White Horse Road  
Voorhees, NJ 08043-2493

**Attorney:**

Capehart & Scatchard  
Joseph F. Betley  
8000 Midlantic Dr., Suite 300S  
P.O. Box 5016  
Mt. Laurel, NJ 08054-5016

**Official Depositories:**

Ocean First Bank  
1107 N. High Street  
Millville, NJ 08332

**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Trustees  
Millville Public Charter School  
Millville, New Jersey

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the blended component unit, and each major fund of the Millville Public Charter School, in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the blended component unit, and each major fund of the Millville Public Charter School, in the County of Cumberland, State of New Jersey, as of June 30, 2023, 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 Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 Charter School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

***Required Supplementary Information***

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



**Supplementary Information**

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

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory 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 February 22, 2024 on our consideration of the Millville Public 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 Millville Public Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Millville Public Charter School's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Public School Accountant No. CS 01191

Voorhees, New Jersey  
February 22, 2024

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

**MILLVILLE PUBLIC CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

The Millville Public Charter School Management Discussion and Analysis (MD&A) is designed to provide an overview of the Charter School's financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns. The focus of the MD&A is on current year activities, resulting changes and currently known facts. The MD&A should be read in conjunction with the Transmittal Letter, the Charter School's Financial Statements and Notes to Financial Statements.

The MD&A is an element of Required Supplementary Information specified in the Government Accounting Standards Board Statement (GASB) No. 34 titled Basic Financial Statements and Management's Discussion and Analysis- for State and Local Governments issued in June 1999.

***Financial Highlights***

Financial Highlights for fiscal year 2023:

- The total assets and deferred outflows of resources of the Charter School were under its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$749,469 (net position).
- The Charter School's total net position increased by \$317,777, from the prior fiscal year.
- As of the close of the current fiscal year, the Charter School's governmental funds reported combined ending fund balances of \$1,900,605, an increase of \$325,389 in comparison with the prior year.

***Overview of the Financial Statements***

The financial section of the annual report consists of four parts:

1. Independent Auditor's Report
2. Required Supplementary Information, including the MD&A (this section)
3. Basic Financial Statements (Statement of Net Position and the Statement of Activities)
4. Supplementary Information

The government-wide financial statements are designed to be corporate-like in that all government and business-type activities are consolidated into columns, which add to a total for the Charter School. The focus of the Statement of Net Position is designed to be similar to a bottom line for the Charter School and its government and business type activities. This statement, for the first-time, combines and consolidates governmental fund's current financial resources (short-term expendable resources) with capital assets and long-term obligations.

The statement of activities is focused on both the gross and net costs of various activities (including governmental and business-type), which are provided by the Charter School's general and other revenues. This statement is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business type activities.

The basic financial statements include two kinds of statements that present different views for the Charter School. The first two statements are government-wide financial statements that provide both long-term and short-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's operations in more detail than the government-wide statements.

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

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by required supplementary information that further explains and supports the information in the financial statements including; budget schedules, reconciliations and individual fund statements.

**MILLVILLE PUBLIC CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

***Statement of Net Position and Statement of Activities***

The Statement of Net Position and the Statement of Activities include all assets and liabilities of the Charter School using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes in to account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Charter School's net position and changes in those assets. This change in net position is important because it tells the reader that, for the Charter School as a whole, the financial position of the Charter School has improved or diminished. The causes of this change may be the result of factors, some financial, and some not. Non-financial factors include the Charter School's required educational programs and other factors.

In the Statement of Net Position and Statement of Activities, the Charter School reports governmental, business-type activities and the activities of its blended component unit. Governmental activities are the activities where most of the Charter School's programs and services are reported including, but not limited to, Instruction, Administration and Support Services.

***Fund Financial Statements***

The Fund financial reports provide detailed information about the Charter School's major funds. The Charter School uses several funds to account for a variety of financial transactions. However, these fund financial statements focus on the Charter School's most significant funds. The Charter School's major governmental funds are the General Fund and the Special Revenue Fund.

***Governmental Funds***

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

***Proprietary Funds***

Enterprise funds, which are a proprietary fund type used to report an activity for which a fee is charged to an external user for goods or services, are used to report the same functions presented as business-type activities in the government-wide financial statements. The Charter School uses enterprise funds to account for its food service program and after school program.

***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

***The Charter School as a Whole***

The Statement of Net Position provides a snapshot of the Charter School as a whole.

The table on the following page provides a summary of the Charter School's net position for the fiscal year ending June 30, 2023.

**MILLVILLE PUBLIC CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

**Table 1**

**Net Position**

	June 30, 2023	June 30, 2022
<b>Assets</b>		
Cash and Cash Equivalents	\$ 2,626,720.96	\$ 2,032,306.19
Receivables	212,653.69	191,595.65
Inventory	12,121.63	14,651.89
Restricted Assets:		
Restricted Cash and Cash Equivalents	20,804.94	14,329.69
Capital Assets, net (Note 5)	5,389,246.18	5,503,137.73
 Total Assets	 8,261,547.40	 7,756,021.15
 <b>Deferred Outflows of Resources:</b>		
Related to Pensions (Note 7)	311,955.00	393,664.00
 <b>Liabilities</b>		
Accounts Payable		
Related to Pensions	34,419.00	55,112.00
Other	386,858.81	246,793.74
Noncurrent Liabilities (Note 6):		
Due within One Year		1,330.72
Due beyond One Year	7,281,031.00	7,052,360.00
 Total Liabilities	 7,702,308.81	 7,355,596.46
 <b>Deferred Inflows of Resources:</b>		
Related to Pensions (Note 7)	121,725.00	362,397.00
 <b>Net Position</b>		
Net Investment in Capital Assets (Deficit)	(1,232,241.82)	(1,049,680.99)
Restricted for:		
Other Purposes	136.94	4,045.83
Unrestricted	1,981,573.47	1,477,326.85
 Total Net Position	 \$ 749,468.59	 \$ 431,691.69

In total, liabilities of governmental activities increased \$346,712, primarily due to GASB 68, the expensing of pension liabilities. Cash and cash equivalents increased by \$600,800. The increase over the prior year is attributed to the results of operations.

**MILLVILLE PUBLIC CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

**Table 2**

**Changes in Net Position**

	June 30, 2023	June 30, 2022
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 122,275.51	\$ 45,268.25
Operating Grants and Contributions	2,561,679.33	2,413,864.27
Capital Grants and Contributions	8,656.00	69,672.00
General Revenues:		
Local Levy	3,416,861.00	3,382,245.00
Other	201,729.92	184,870.15
<b>Total Revenues</b>	<b>6,311,201.76</b>	<b>6,095,919.67</b>
<b>Program Expenses:</b>		
Governmental Activities:		
Instruction:		
Regular	1,706,246.40	957,688.44
Special Education	146,817.65	326,395.00
Support Services:		
Student and Instruction Related Services	693,243.65	589,552.44
School Administrative Services	544,658.63	504,813.28
General and Business Administrative Services	189,299.00	184,059.73
Plant Operations and Maintenance	623,683.14	600,032.75
Unallocated Benefits	295,621.96	395,228.85
Interest on Long-Term Debt	426,122.94	360,000.00
Reimbursed TPAF and Social Security	644,155.79	504,086.28
<b>Total Expenses, Governmental Activities</b>	<b>5,269,849.16</b>	<b>4,421,856.77</b>
Business-Type Activities:		
Food Service	723,575.70	712,514.63
<b>Total Expenses, Business-Type Activities</b>	<b>723,575.70</b>	<b>712,514.63</b>
<b>Total Expenses</b>	<b>5,993,424.86</b>	<b>5,134,371.40</b>
<b>Change in Net Position</b>	<b>\$ 317,776.90</b>	<b>\$ 961,548.27</b>

**MILLVILLE PUBLIC CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

**Governmental Activities**

The local levy and federal and state aid made up 94.9% of revenues for governmental activities for the Charter School in fiscal year 2023.

The Statement of Activities shows the cost of the governmental activities' program services and the changes for services and grants offsetting those services. It also shows the activities of the blended component unit, Friends of Millville Public Charter School. Table 3 below shows the total cost of services and the net cost of services for fiscal year 2023. The table shows the cost of these services supported by general revenues.

**Table 3**

	Total Cost of services	Net Cost of services
Governmental Activities:		
Instruction:		
Regular	\$ 1,706,246.40	\$ 1,173,527.20
Special Education	146,817.65	146,817.65
Support Services:		
Student and Instruction Related Services	693,243.65	163,411.51
School Administrative Services	544,658.63	491,584.23
General and Business Administrative Services	189,299.00	189,299.00
Plant Operations and Maintenance	623,683.14	623,683.14
Unallocated Benefits	295,621.96	(381,400.83)
Interest on Long-Term Debt	426,122.94	426,122.94
Reimbursed TPAF and Social Security	644,155.79	644,155.79
 Total Government Activities	 \$ 5,269,849.16	 \$ 3,477,200.63

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Administrative expenses include expenses associated with establishing and administering policy for the Charter School.

Support Services are expenditures for the maintenance of the plant.

Unallocated benefits represents expenses related to GASB 68 and the pension liability allocated to the Charter School by the State of New Jersey.

The dependence upon the revenues received from sending districts and federal and state aid is apparent. The revenues from sending districts and federal and state governments are the primary financial support for the Charter School.



**MILLVILLE PUBLIC CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

***The Charter School's Funds***

The Charter School's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues of \$5,141,383 and expenditures of \$4,815,993. The fund balance in the General Fund was \$1,900,468 for 2023, a net increase of \$326,459 over the prior fiscal period. The Enterprise Fund has an unrestricted net position of \$551,783 at June 30, 2023.

***General Fund Budgeting Highlights***

The Charter School's budget is prepared in accordance with New Jersey Law. The most significant budgeted fund is the General Fund. During the course of the 2023 fiscal year, the Charter School modified its General Fund budget to accommodate revised revenue calculations provided from the State of New Jersey. Revenue calculations are based on enrollment counts performed during the fiscal year and are dependent on the sending district the student's residency is reported in.

For the General Fund, the final budget basis revenue was \$3,416,861. The original budgeted estimate was \$3,454,347.

<b>Source</b>	<b>Final Budget</b>
Local Levy - Local Share	\$ 573,707
Local Levy - State Share	2,488,659
Categorical Aid:	
Special Education Aid	97,674
Security Aid	67,415
	\$ 3,416,861

**Enterprise Funds**

The Charter School's food service is managed internally by staff of the Millville Public Charter School, the school also services Vineland Public Charter School and Bridgeton Public Charter School through a consolidation agreement. In the Enterprise Fund, revenues exceeded expenditures by \$176,387 for fiscal year 2023.

**Capital Assets**

The Charter School has capital assets consisting of a building and equipment with a balance net of related debt in the amount of (\$1,232,242). The building is owned by the blended component unit, Friends of Millville Public Charter School.

**MILLVILLE PUBLIC CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

***Debt Administration***

At June 30, 2023, the Charter School has no debt outside of financed purchases. Friends of Millville Public Charter School has a mortgage in the amount of \$6,621,488.00 for the building.

***Economic Factors and Next Year's Budget***

The Charter School maintained its budget through the revenue received from sending districts for their local levy and state levy and categorical aid specific for their students and from federal aid and miscellaneous revenue sources.

As a charter school, revenues are driven by the residency of its student population and the level of enrollment of students in those sending districts.

The Charter School expects to maximize its enrollment for the 2023-24 fiscal year.

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

This financial report is designed to provide our parents, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have any questions about this report or need additional information, contact the School Business Administrator, at Millville Public Charter School, 1101 Wheaton Ave., Millville, New Jersey 08332.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**MILLVILLE PUBLIC CHARTER SCHOOL**  
Statement of Net Position  
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 2,626,720.96		\$ 2,626,720.96
Receivables	156,994.33	\$ 55,659.36	212,653.69
Internal Balances	(486,311.28)	486,311.28	
Inventory		12,121.63	12,121.63
Restricted Cash and Cash Equivalents	20,804.94		20,804.94
Capital Assets, net (Note 5)	5,337,366.55	51,879.63	5,389,246.18
<b>Total Assets</b>	<b>7,655,575.50</b>	<b>605,971.90</b>	<b>8,261,547.40</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 7)	311,955.00		311,955.00
<b>LIABILITIES:</b>			
Accounts Payable			
Related to Pensions	34,419.00		34,419.00
Other	384,549.26	2,309.55	386,858.81
Noncurrent Liabilities (Note 6):			
Due beyond One Year	7,281,031.00		7,281,031.00
<b>Total Liabilities</b>	<b>7,699,999.26</b>	<b>2,309.55</b>	<b>7,702,308.81</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 7)	121,725.00		121,725.00
<b>NET POSITION:</b>			
Net Investment in Capital Assets (Deficit)	(1,284,121.45)	51,879.63	(1,232,241.82)
Restricted	136.94		136.94
Unrestricted	1,429,790.75	551,782.72	1,981,573.47
<b>Total Net Position</b>	<b>\$ 145,806.24</b>	<b>\$ 603,662.35</b>	<b>\$ 749,468.59</b>

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

**MILLVILLE PUBLIC CHARTER SCHOOL**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2023

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular Instruction	\$ 1,706,246.40		\$ 532,719.20		\$ (1,173,527.20)		\$ (1,173,527.20)
Special Education Instruction	146,817.65				(146,817.65)		(146,817.65)
Support Services and Undistributed Costs:							
Student and Instruction Related Services	693,243.65	\$ 5,451.33	515,724.81	\$ 8,656.00	(163,411.51)		(163,411.51)
School Administrative Services	544,658.63	53,074.40			(491,584.23)		(491,584.23)
Other Administrative Services	189,299.00				(189,299.00)		(189,299.00)
Plant Operations and Maintenance	623,683.14				(623,683.14)		(623,683.14)
Unallocated Benefits	295,621.96		677,022.79		381,400.83		381,400.83
Interest on Long-Term Debt	426,122.94				(426,122.94)		(426,122.94)
Reimbursed TPAF Pension and Social Security	644,155.79				(644,155.79)		(644,155.79)
<b>Total Governmental Activities</b>	<b>5,269,849.16</b>	<b>58,525.73</b>	<b>1,725,466.80</b>	<b>8,656.00</b>	<b>(3,477,200.63)</b>	<b>-</b>	<b>(3,477,200.63)</b>
<b>Business-Type Activities:</b>							
Food Service	723,575.70	63,749.78	836,212.53			\$ 176,386.61	176,386.61
<b>Total Business-Type Activities</b>	<b>723,575.70</b>	<b>63,749.78</b>	<b>836,212.53</b>	<b>-</b>	<b>-</b>	<b>176,386.61</b>	<b>176,386.61</b>
<b>Total Government</b>	<b>\$ 5,993,424.86</b>	<b>\$ 122,275.51</b>	<b>\$ 2,561,679.33</b>	<b>\$ 8,656.00</b>	<b>(3,477,200.63)</b>	<b>176,386.61</b>	<b>(3,300,814.02)</b>
<b>General Revenues:</b>							
Local Levy					3,416,861.00		3,416,861.00
Miscellaneous Income					201,729.92		201,729.92
<b>Total General Revenues</b>					<b>3,618,590.92</b>	<b>-</b>	<b>3,618,590.92</b>
<b>Change in Net Position</b>					<b>141,390.29</b>	<b>176,386.61</b>	<b>317,776.90</b>
<b>Net Position -- July 1</b>					<b>4,415.95</b>	<b>427,275.74</b>	<b>431,691.69</b>
<b>Net Position -- June 30</b>					<b>\$ 145,806.24</b>	<b>\$ 603,662.35</b>	<b>\$ 749,468.59</b>

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

**FUND FINANCIAL STATEMENTS**

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Balance Sheet  
 Governmental Funds  
 June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 2,614,333.88	\$ 136.94		\$ 2,614,470.82
Interfund Accounts Receivable:				
Special Revenue Fund	140,102.62			140,102.62
Internal Service Fund	5,175.64			5,175.64
Intergovernmental Accounts Receivable:				
State	11,716.07			11,716.07
Federal		140,102.62		140,102.62
	<u>2,771,328.21</u>	<u>140,239.56</u>	<u>-</u>	<u>\$ 2,911,567.77</u>
<b>Total Assets</b>	<b>\$ 2,771,328.21</b>	<b>\$ 140,239.56</b>	<b>-</b>	<b>\$ 2,911,567.77</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Payroll Deductions and Withholdings Payable	\$ 10,951.26			\$ 10,951.26
Interfund Accounts Payable				
Enterprise Fund	486,311.28			486,311.28
General Fund		\$ 140,102.62		140,102.62
Intergovernmental Accounts Payable:				
Payable to Local Government	373,598.00			373,598.00
	<u>870,860.54</u>	<u>140,102.62</u>	<u>-</u>	<u>1,010,963.16</u>
<b>Total Liabilities</b>	<b>870,860.54</b>	<b>140,102.62</b>	<b>-</b>	<b>1,010,963.16</b>
<b>Fund Balances:</b>				
Restricted:				
Student Activities		136.94		136.94
Assigned:				
Year-End Encumbrances	189,372.33			189,372.33
Unassigned:				
General Fund	1,711,095.34			1,711,095.34
	<u>1,900,467.67</u>	<u>136.94</u>	<u>-</u>	<u>1,900,604.61</u>
<b>Total Fund Balances</b>	<b>1,900,467.67</b>	<b>136.94</b>	<b>-</b>	<b>1,900,604.61</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,771,328.21</b>	<b>\$ 140,239.56</b>	<b>-</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,003,431.39, and the accumulated depreciation is \$1,666,064.84.

\$ 5,337,366.55

Result of blending the component unit, Friends of MPCS

33,055.08

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

(6,621,488.00)

Net Pension Liability

(659,543.00)

Accounts Payable related to the April 1, 2024 Required PERS pension contribution that is not to be liquidated with current financial resources.

(34,419.00)

Deferred Outflows of Resources - Related to Pensions

311,955.00

Deferred Inflows of Resources - Related to Pensions

(121,725.00)

Net position of governmental activities

\$ 145,806.24

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



**MILLVILLE PUBLIC CHARTER SCHOOL**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES:</b>				
Local Levy:				
Local Share	\$ 573,707.00			\$ 573,707.00
State Share	2,488,659.00			2,488,659.00
State Sources	998,650.79	\$ 19,286.00		1,017,936.79
Revenue from Other Sources	18,884.36			18,884.36
Local Sources		5,451.33		5,451.33
Federal Sources		1,036,744.04		1,036,744.04
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	4,079,901.15	1,061,481.37	-	5,141,382.52
<b>EXPENDITURES:</b>				
Current:				
Regular Instruction	1,173,527.20	532,719.20		1,706,246.40
Special Education Instruction	146,817.65			146,817.65
Support Services and Undistributed Costs:				
Student and Instruction Related Services	118,993.11	521,176.14		640,169.25
School Administrative Services	541,485.23			541,485.23
Plant Operations and Maintenance	844,722.97			844,722.97
Unallocated Benefits	283,739.96			283,739.96
Reimbursed TPAF Pension and Social Security	644,155.79			644,155.79
Capital Outlay		8,656.00		8,656.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	3,753,441.91	1,062,551.34	-	4,815,993.25
Excess (Deficiency) of Revenues over Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	326,459.24	(1,069.97)	-	325,389.27
Fund Balance -- July 1	<hr/>	<hr/>	<hr/>	<hr/>
	1,574,008.43	1,206.91		1,575,215.34
Fund Balance -- June 30	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 1,900,467.67	\$ 136.94	-	\$ 1,900,604.61

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

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2023

Total Net Change in Fund Balances - Governmental Funds	\$	325,389.27
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is normally allocated over their estimated useful lives as depreciation expense.</p>		
Depreciation Expense	\$	(209,587.23)
Capital Outlays		8,656.00
		(200,931.23)
<p>The adoption of GASB 80 requires the reporting of the Charter School's component unit, Friends of MPCS, as a blended component unit on the statement of activities. Revenue and Expenditure activity is not reported in the governmental funds.</p>		
		(5,383.47)
<p>Repayment of principal on long-term debt (e.g. financed purchases) 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.</p>		
		1,330.72
<p>Governmental funds report Charter School pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the Charter School's pension contributions in the current period.</p>		
		20,985.00
Change in Net Position of Governmental Activities	\$	141,390.29

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

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Proprietary Funds  
 Combined Statements of Net Position  
 June 30, 2023

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	<u>Food Service</u>	<u>Shared Services</u>
<b>ASSETS:</b>		
Current Assets:		
Interfund Accounts Receivable:		
General Fund	\$ 486,311.28	
Intergovernmental Accounts Receivable:		
State	1,747.65	
Federal	53,911.71	
Other Local Governments		\$ 5,175.64
Inventory	12,121.63	
<b>Total Current Assets</b>	<b>554,092.27</b>	<b>5,175.64</b>
Noncurrent Assets:		
Furniture, Machinery and Equipment	57,014.04	
Less Accumulated Depreciation	(5,134.41)	
<b>Total Noncurrent Assets</b>	<b>51,879.63</b>	<b>-</b>
<b>Total Assets</b>	<b>605,971.90</b>	<b>5,175.64</b>
Current Liabilities:		
Accounts Payable	2,309.55	
Interfund Accounts Payable:		
Due General Fund		5,175.64
<b>Total Current Liabilities</b>	<b>2,309.55</b>	<b>5,175.64</b>
<b>Total Liabilities</b>	<b>2,309.55</b>	<b>5,175.64</b>
<b>NET POSITION:</b>		
Net Investment in Capital Assets	51,879.63	
Unrestricted	551,782.72	
<b>Total Net Position</b>	<b>\$ 603,662.35</b>	<b>-</b>

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

**MILLVILLE PUBLIC CHARTER SCHOOL**  
Proprietary Funds  
Combined Statements of Revenues, Expenses, and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2023

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	<u>Food Service</u>	<u>Shared Services</u>
<b>OPERATING REVENUES:</b>		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 55,357.28	
Daily Sales - Non-Reimbursable Programs	8,392.50	
Services Provided to Other Governments		\$ 53,074.40
<b>Total Operating Revenues</b>	<u>63,749.78</u>	<u>53,074.40</u>
<b>OPERATING EXPENSES:</b>		
Salaries	276,805.24	
Purchased Professional and Technical Services	3,243.00	53,074.40
Other Purchased Services	56,909.91	
Cost of Sales - Reimbursable Programs	373,913.06	
Cost of Sales - Non-Reimbursable Programs	3,050.26	
Supplies and Materials	7,155.84	
Depreciation	2,498.39	
<b>Total Operating Expenses</b>	<u>723,575.70</u>	<u>53,074.40</u>
<b>Operating Income / (Loss)</b>	<u>(659,825.92)</u>	<u>-</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
State Sources:		
State School Lunch Program	13,726.04	
State School Breakfast Program	9,600.90	
Federal Sources:		
National School Lunch Program	511,664.34	
National School Breakfast Program	213,235.39	
Summer Food Service Program for Children - Lunch	9,478.20	
Food Distribution Program	78,507.66	
<b>Total Nonoperating Revenues (Expenses)</b>	<u>836,212.53</u>	<u>-</u>
<b>Change in Net Position</b>	176,386.61	-
<b>Net Position -- July 1</b>	<u>427,275.74</u>	<u>-</u>
<b>Net Position -- June 30</b>	<u>\$ 603,662.35</u>	<u>-</u>

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

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Proprietary Funds  
 Combined Statements of Cash Flows  
 For the Fiscal Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
	Food Service	Shared Services
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from Customers	\$ 63,749.78	\$ 88,922.46
Payments to Employees	(276,805.24)	
Payments to Suppliers	(363,998.65)	(53,074.40)
Net Cash Provided by (used for) Operating Activities	<u>(577,054.11)</u>	<u>35,848.06</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State Sources	22,355.35	
Federal Sources	728,749.61	
Operating Subsidies and Transfers to other Funds	(154,512.78)	(35,848.06)
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>596,592.18</u>	<u>(35,848.06)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchases of Capital Assets	(19,538.07)	
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(19,538.07)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-
Balances -- July 1	-	-
Balances -- June 30	<u>-</u>	<u>-</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>		
by Operating Activities:		
Operating Income (Loss)	\$ (659,825.92)	
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Provided by (used for) Operating Activities:		
Depreciation	2,498.39	
Food Distribution Program	78,507.66	
Increase (Decrease) in Accounts Payable	(764.50)	
(Increase) Decrease in Inventories	2,530.26	
(Increase) Decrease in Accounts Receivable, net		\$ 35,848.06
Net Cash Provided by (used for) Operating Activities	<u>\$ (577,054.11)</u>	<u>\$ 35,848.06</u>

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

**MILLVILLE PUBLIC CHARTER SCHOOL**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2023

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

The financial statements of the Millville Public Charter School (the "Charter School") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

**Description of the Financial Reporting Entity**

The Charter School is a K-8 charter school located in the County of Cumberland, State of New Jersey. The school opened in September of 2012 through the approval of its New Jersey Charter School Application by the State of New Jersey, Department of Education. As a charter school, the Millville Public Charter School functions independently through a Board of Trustees (the "Board"). The Board is comprised of five appointed officials. An Executive Director is appointed by the Board and is responsible for the administrative control of the school. The purpose of the Charter School is to educate students in grades K-8 at its school located in Millville.

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

**Component Units**

In evaluating how to define the Charter School for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Component Units (Cont'd)**

Based upon the application of these criteria, the Charter School has determined that the following organization is considered a component unit:

Friends of Millville Public Charter School A NJ Nonprofit Corporation  
1101 Wheaton Ave.  
Millville, NJ 08332

In the accompanying consolidated financial statements, the component unit has been blended with Millville Public Charter School, the sole member of Friends of Millville Public Charter School A NJ Nonprofit Corporation ("Friends of MPCS"). Intercompany transactions and balances have been eliminated in the blended government-wide financial statements.

**Government-wide and Fund Financial Statements**

The Charter School's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the Charter School to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues from the Charter School's student's district of residence and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the Charter School segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the Charter School. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues from the Charter School's student's district of residence are recognized as revenues in the year for which they are established based on enrollment. In accordance with New Jersey State Statute, the Charter School is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Charter School considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues from the Charter School's student's district of residence, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the Charter School.

The Charter School reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the Charter School includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Charter Schools do not maintain debt service funds, therefore expenditures for principal and interest are accounted for in the general fund.

**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 expenditures for specified purposes other than debt service or capital projects.

**Capital Projects Fund** - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from temporary notes, serial bonds, or from the general fund by way of transfers from capital outlay.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Proprietary funds are used to account for the Charter School's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The Charter School reports the following major proprietary funds:

**Enterprise Funds**

**Food Service Fund** - This fund accounts for the financial transactions related to the food service operations of the Charter School.

**Internal Service Funds**

Internal service funds are used to account for the financing of goods and services provided by one charter school to another on a cost reimbursement basis. The Charter School maintains two internal service funds, for sharing administrative expenses with two other charter schools.

As a rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all revenues from the Charter School's student's district of residence.

**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general and special revenue and are submitted to the New Jersey Department of Education. 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 budget line account system promulgated by the State of New Jersey Department of Education for Charter Schools and based on the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Budgets / Budgetary Control (Cont'd)**

The budget, as detailed on exhibit C-1 and exhibit C-2 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the Charter School does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the Charter School has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

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

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

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 public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the 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 amount of their deposits to the governmental units.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Inventories**

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

**Tuition Receivable**

The Charter School Program Act of 1995 specifically prohibits a charter school from charging tuition to students who reside in the district of residence of the Charter School or are non-resident students.

**Lease Receivable**

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the Charter School's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The Charter School was not a lessor during the fiscal year ended June 30, 2023.

**Revenues from District of Residence, Region of Residence and Non-Resident Districts**

The Charter School's primary source of revenue is from the district of residence, region of residence or non-resident districts from which its students are enrolled in the Charter School. The amounts are calculated from the most recent budget data of the student's district.

**Local Levy – Equalization Aid State and Local Share** – The charter school's funding is pursuant to the *School Funding Reform Act of 2008*, which states the school district of residence shall pay directly to the charter school for each student enrolled in the charter school who resides in the district an amount equal to 90% of the sum of the budget year equalization aid per pupil and the pre-budget year general fund tax levy per pupil inflated by the CPI rate most recent to the calculation.

**Special Education / Security Aid** – The school district of residence shall pay directly to the charter school the security aid attributable to the student and a percentage of the district's special education categorical aid equal to the percentage of the district's special education students enrolled in the charter school.

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2022. The Charter School had no prepaid expenses for the fiscal year ended June 30, 2022.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the Charter School, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column.

**Capital Assets**

Capital assets represent the cumulative amount of capital assets used by the Charter School. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. Intangible right to use assets (lease and subscription assets) are recorded as expenditures in the governmental fund financial statements. Lease assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Subscription assets are recorded as expenditures in the governmental fund financial statements. Subscription assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related subscription liability, plus any payments associated with the arrangement made to the vendor at the commencement of the subscription term and capitalizable initial implementation costs. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The Charter School's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the useful life of the assets. Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease and subscription term or the useful life of the underlying assets. The useful lives of the Charter School's capital assets are as follows:

<b><u>Description</u></b>	<b><u>Estimated Lives</u></b>
Building	30 Years
General Equipment	3 - 10 Years
Vehicles	5 Years

The Charter School does not possess any infrastructure assets.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

The statement of net position and the balance sheet for governmental funds reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The Charter School is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the Charter School is eligible to realize the revenue.

**Compensated Absences**

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Charter School and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Charter School and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The Charter School does not have a policy for the payment of compensated absences.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

**Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

***Net Investment in Capital Assets*** - This component represents capital assets, net of accumulated depreciation or amortization of intangible capital assets, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

***Restricted*** - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

***Unrestricted*** - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The Charter School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Fund Balance**

The Charter School reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the Charter School is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Charter School's classifications, and policies for determining such classifications, are as follows:

***Nonspendable*** - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

***Restricted*** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

***Committed*** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Charter School's highest level of decision-making authority, which, for the Charter School, is the Board of Trustees. Such formal action consists of an affirmative vote by the Board of Trustees, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Trustees removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

***Assigned*** - The assigned fund balance classification includes amounts that are constrained by the Charter School's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Trustees or by the business administrator, to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Trustees.

***Unassigned*** - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the Charter School to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the Charter School to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

**Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Impact of Recently Issued Accounting Principles****Recently Issued Accounting Pronouncements**

The GASB has issued the following Statement that will become effective for the Charter School for fiscal years ending after June 30, 2024:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Charter School in the fiscal year ending June 30, 2025. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the Charter School.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Charter School's deposits might not be recovered. Although the Charter School does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Charter School in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, salary withholdings, and student activity funds, or funds that may pass to the Charter School relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

All of the Charter School's bank balances of \$2,831,371.29 as of June 30, 2023 were insured and collateralized.

**Note 3: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2023 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the Charter School's individual major funds, in the aggregate, are as follows:

	<u>Governmental Funds</u>		<u>Proprietary Funds</u>	<u>Total Governmental Activities</u>	<u>Proprietary Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Internal Service Funds</u>		<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Other Local Governments			\$ 5,175.64	\$ 5,175.64			\$ 5,175.64
Federal Awards		\$ 140,102.62		140,102.62	\$ 53,911.71	\$ 53,911.71	194,014.33
State Awards	\$ 11,716.07			11,716.07	1,747.65	1,747.65	13,463.72
	<u>\$ 11,716.07</u>	<u>\$ 140,102.62</u>	<u>\$ 5,175.64</u>	<u>\$ 156,994.33</u>	<u>\$ 55,659.36</u>	<u>\$ 55,659.36</u>	<u>\$ 212,653.69</u>

**Note 4: INVENTORY**

Inventory recorded at June 30, 2023 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 9,007.63
Supplies	3,114.00
	<u>\$ 12,121.63</u>



**Note 5: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023 is as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land (Friends of MPCS)	\$ 646,725.00	\$ 70,000.00		\$ 716,725.00
Total Capital Assets not being Depreciated	646,725.00	70,000.00	-	716,725.00
Capital Assets, being Depreciated:				
Building (Friends of MPCS)	5,932,023.00			5,932,023.00
General Equipment	337,258.05	8,656.00		345,914.05
Vehicles	8,769.34			8,769.34
Total Capital Assets, being Depreciated	6,278,050.39	8,656.00	-	6,286,706.39
Total Capital Assets, Cost	6,924,775.39	78,656.00	-	7,003,431.39
Less: Accumulated Depreciation:				
Building (Friends of MPCS)	(1,194,862.58)	(197,715.43)		(1,392,578.01)
General Equipment	(258,938.24)	(10,117.94)		(269,056.18)
Vehicles	(2,676.79)	(1,753.86)		(4,430.65)
Total Accumulated Depreciation	(1,456,477.61)	(209,587.23)	-	(1,666,064.84)
Total Capital Assets, being Depreciated, Net	4,821,572.78	(200,931.23)	-	4,620,641.55
Governmental Activities Capital Assets, Net	\$ 5,468,297.78	\$ (130,931.23)	-	\$ 5,337,366.55
	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
<b>Business-Type Activities:</b>				
Capital Assets, being Depreciated:				
General Equipment	\$ 37,475.97	\$ 19,538.07		\$ 57,014.04
Total Capital Assets, being Depreciated	37,475.97	19,538.07	-	57,014.04
Less: Accumulated Depreciation:				
General Equipment	(2,636.02)	(2,498.39)		(5,134.41)
Total Accumulated Depreciation	(2,636.02)	(2,498.39)	-	(5,134.41)
Total Capital Assets, being Depreciated, Net	34,839.95	17,039.68	-	51,879.63
Business-Type Activities Capital Assets, Net	\$ 34,839.95	\$ 17,039.68	-	\$ 51,879.63

**Note 5: CAPITAL ASSETS (CONT'D)**

Depreciation expense was charged to functions / programs of the Charter School as follows:

**Governmental Activities:**

Support - General and Business Admin Services	\$ 3,173.40
Support - Plant Operations and Maintenance	206,413.83
	<hr/>
Total Depreciation Expense - Governmental Activities	\$ 209,587.23
	<hr/> <hr/>

**Business-Type Activities:**

Food Service	\$ 2,498.39
	<hr/>
Total Depreciation Expense - Business-Type Activities	\$ 2,498.39
	<hr/> <hr/>

For the fiscal year ended June 30, 2023 depreciation expense of the component unit, Friends of MPCS was \$199,607.43 and was charged to Plant Operations and Maintenance.

**Note 6: LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2023, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Other Liabilities:					
Friends of MPCS Mortgage	\$ 6,551,488.00	\$ 70,000.00		\$ 6,621,488.00	
Net Pension Liability	500,872.00	674,069.00	\$ 515,398.00	659,543.00	
Financed Purchases	1,330.72		1,330.72	-	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Governmental Activities					
Long-term Liabilities	\$ 7,053,690.72	\$ 744,069.00	\$ 516,728.72	\$ 7,281,031.00	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The mortgage, held by the Friends of MPCS are funded by Millville Public Charter School through rental payments made to the Friends of MPCS from the general fund. The net pension liability and the financed purchases are liquidated by the general fund.

**Mortgage Payable** – On July 15, 2016, the Friends of MPCS entered into a Mortgage Agreement with Education Capital Solutions, LLC and MPCS Project Development, LLC for financing the acquisition of a building and land in the amount of \$6,551,488.00. On August 2, 2022, the mortgage was assigned to RM Millville NJ LLC and an additional \$70,000.00 principal was added to the mortgage for a total of \$6,621,488.00. The principal balance is payable in full on December 31, 2036 with interest payments being made over the life of the mortgage. Prepayment is permitted after five years from the first scheduled payment date and after years seven, ten, fifteen and twenty. This Mortgage Agreement is secured by real estate, contents and other property of the Friends of MPCS and the Millville Public Charter School.

**Note 6: LONG-TERM LIABILITIES (CONT'D)**

**Mortgage Payable (Cont'd)** – The future minimum debt payments under this agreement are as follows:

<b>Fiscal Year</b>			
<b><u>Ended June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2024		\$ 454,026.50	\$ 454,026.50
2025		484,463.58	484,463.58
2026		514,901.50	514,901.50
2027		545,338.58	545,338.58
2028		557,919.83	557,919.83
2029-33		2,961,503.08	2,961,503.08
2034-37	\$ 6,621,488.00	1,977,436.33	8,598,924.33
	<u>\$ 6,621,488.00</u>	<u>\$ 7,495,589.42</u>	<u>\$ 14,117,077.42</u>

**Net Pension Liability** - For details on the net pension liability, refer to note 7. The Charter School's annual required contribution to the Public Employees' Retirement System are budgeted and paid from the general fund on an annual basis.

**Note 7: PENSION PLANS**

A substantial number of the Charter School's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several Charter School employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. The DCRP is administered by Empower (formerly Prudential Financial).

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

**General Information about the Pension Plans****Plan Descriptions**

**Teachers' Pension and Annuity Fund** - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey ("State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF Board of Trustees is primarily responsible for the administration of the Plan.

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Charter School, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

**Note 7: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

**Teachers' Pension and Annuity Fund** - 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:

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

**Note 7: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Public Employees' Retirement System** - 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 10 years of service.

The membership tiers for PERS are the same as previously noted for TPAF.

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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more 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.

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2022. The State's contribution is based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the Charter School and all other related non-contributing employers. No normal or accrued liability contribution by the Charter School has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The Charter School's contractually required contribution rate for the fiscal year ended June 30, 2023 was 22.62% of the Charter School's covered payroll, of which 0.00% of payroll was required from the Charter School and 100.00% of payroll was required from the State of New Jersey. The Charter School was not required to contribute to the pension plan during the fiscal year ended June 30, 2023 because of the 100.00% special funding situation with the State of New Jersey.

**Note 7: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Teachers' Pension and Annuity Fund (Cont'd)** - Based on the most recent TPAF measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the Charter School, to the pension plan for the fiscal year ended June 30, 2023 was \$337,998.00, and was paid by April 1, 2023. Charter School employee contributions to the Plan during the fiscal year ended June 30, 2023 were \$121,568.78.

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2022. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability.

The Charter School's contractually required contribution rate for the fiscal year ended June 30, 2023 was 10.70% of the Charter School's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the Charter School's contractually required contribution to the pension plan for the fiscal year ended June 30, 2023 was \$55,112.00, and was paid by April 1, 2023. Charter School employee contributions to the Plan during the fiscal year ended June 30, 2023 were \$26,870.30.

**Note 7: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Charter School contributes 3% of the employees' base salary, for each pay period.

For the fiscal year ended June 30, 2023, employee contributions totaled \$9,549.67, and the Charter School recognized pension expense, which equaled the required contributions, of \$7,032.20. There were no forfeitures during the fiscal year.

**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Teachers' Pension and Annuity Fund**

**Pension Liability** - At June 30, 2023, the Charter School was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

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

Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	4,166,733.00
	<u>\$ 4,166,733.00</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. For the June 30, 2022 measurement date, the Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2022 measurement date, the Charter School proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the Charter School was 0.0080759374%, which was a decrease of 0.0012602672% from its proportion measured as of June 30, 2021.

**Pension (Benefit) Expense** - For the fiscal year ended June 30, 2023, the State's proportionate share of the pension (benefit) expense, associated with the Charter School, calculated by the Plan as of June 30, 2022 measurement date, was \$112,138.00. This on-behalf expense has been recognized by the Charter School in the government-wide financial statements.



**Note 7: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System**

**Pension Liability** - At June 30, 2023, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Charter School reported a liability of \$659,543.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the Charter School's proportion was 0.0043703332%, which was an increase of 0.0001423156% from its proportion measured as of June 30, 2021.

**Pension (Benefit) Expense** - For the fiscal year ended June 30, 2023, the Charter School recognized pension (benefit) expense of \$34,136.00, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2022 measurement date.

**Deferred Outflows and Inflows of Resources** - At June 30, 2023, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 4,760.00	\$ 4,198.00
Changes of Assumptions	2,043.00	98,760.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	27,298.00	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	243,435.00	18,767.00
Contributions Subsequent to the Measurement Date	34,419.00	-
	<u>\$ 311,955.00</u>	<u>\$ 121,725.00</u>

**Note 7: PENSION PLANS (CONT'D)****Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

**Deferred Outflows and Inflows of Resources (Cont'd)** - Deferred outflows of resources in the amount of \$34,419.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year</b>	
<b><u>Ending June 30,</u></b>	
2024	\$ (273.00)
2025	94,579.00
2026	22,708.00
2027	38,650.00
2028	147.00
	<u>\$ 155,811.00</u>

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

	<b><u>Deferred</u></b>	<b><u>Deferred</u></b>		<b><u>Deferred</u></b>	<b><u>Deferred</u></b>
	<b><u>Outflows of</u></b>	<b><u>Inflows of</u></b>		<b><u>Outflows of</u></b>	<b><u>Inflows of</u></b>
	<b><u>Resources</u></b>	<b><u>Resources</u></b>		<b><u>Resources</u></b>	<b><u>Resources</u></b>
Differences between Expected and Actual Experience			Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	5.48	-	June 30, 2018	5.00	-
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04			
Changes of Assumptions			Changes in Proportion		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2017	-	5.48	June 30, 2017	5.48	5.48
June 30, 2018	-	5.63	June 30, 2018	5.63	5.63
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04

**Note 7: PENSION PLANS (CONT'D)****Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2022 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2021. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 5.65%	2.75% - 6.55%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

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

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

**Note 7: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2022 measurement date) 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 rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2022 measurement date 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%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	100.00%	

**Discount Rate -**

**Teachers' Pension and Annuity Fund** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 would be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments in determining the total pension liability.

**Note 7: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Discount Rate (Cont'd) -**

**Public Employees' Retirement System** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments in determining the total pension liability.

**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Teachers' Pension and Annuity Fund (TPAF)** - As previously mentioned TPAF has a special funding situation where the State pays 100% of the Charter School's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2022, the Plan's measurement date, attributable to the Charter School is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2022 (Plan's measurement date), attributable to the Charter School, calculated using the discount rate of 7.00% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<b>TPAF</b>		
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	4,885,583.00	4,166,733.00	3,561,192.00
	<u>\$ 4,885,583.00</u>	<u>\$ 4,166,733.00</u>	<u>\$ 3,561,192.00</u>

**Public Employees' Retirement System (PERS)** - The following presents the Charter School's proportionate share of the net pension liability at June 30, 2022, the Plan's measurement date, calculated using a discount rate of 7.00%, 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% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Proportionate Share of the Net Pension Liability	\$ 847,320.00	\$ 659,543.00	\$ 499,738.00

**Note 7: PENSION PLANS (CONT'D)****Pension Plan Fiduciary Net Position**

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

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

**Plan Description and Benefits Provided** - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

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

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

**Contributions** - The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the "State") 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 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

**Employees Covered by Benefit Terms** - At June 30, 2022, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	364,817

**Total Non-Employer OPEB Liability**

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP pension participants. The Charter School's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the Charter School did not recognize any portion of the collective net OPEB liability on the statement of net position.

The State's proportionate share of the net OPEB liability associated with the Charter School as of June 30, 2023 was \$1,755,753.00. Since the OPEB liability associated with the Charter School is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. For the June 30, 2022 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the Charter School was 0.0034666843%, which was a decrease of 0.0001092497% from its proportion measured as of June 30, 2021.

**Actuarial Assumptions and Other Inputs** - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2021, which was rolled forward to June 30, 2022, used the following actuarial assumptions, applied to all periods in the measurement:

**Salary Increases -**

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u> *
Salary Increases	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%

\* based on service years

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)****Actuarial Assumptions and Other Inputs (Cont'd) -**

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

**Experience Studies** - The actuarial assumptions used in the June 30, 2021 valuation, which was rolled forward to June 30, 2022, were based on the results of actuarial experience studies for the periods July 1, 2018 to June 30, 2021 for TPAF, PERS, and PFRS.

**Health Care Trend Assumptions** - For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Discount Rate** - The discount rate for June 30, 2022 measurement date was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total Non-Employer OPEB Liability**

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the Charter School:

Balance at June 30, 2022		\$ 2,145,834.00
Changes for the Year:		
Service Cost	\$ 409,474.00	
Interest Cost	46,529.00	
Changes in Benefit Terms	-	
Difference between Expected and Actual Experience	(330,478.00)	
Changes in Assumptions	(470,996.00)	
Member Contributions	1,479.00	
Gross Benefit Payments	(46,089.00)	
		<u>(390,081.00)</u>
Net Changes		
Balance at June 30, 2023		<u>\$ 1,755,753.00</u>



**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

Differences between expected and actual experience reflect an increase in liability for the measurement period from June 30, 2021 to June 30, 2022 due to changes in the census and premium and claims experience.

Changes in assumptions reflect a decrease in the liability for the measurement period from June 30, 2021 to June 30, 2022 is due to the combined effect of the discount rate change; and changes in the trend, and experience study.

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate** - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2022, associated with the Charter School, using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	<b>1% Decrease (2.54%)</b>	<b>Current Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	\$ 2,063,703.00	\$ 1,755,753.00	\$ 1,508,947.00

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2022, associated with the Charter School, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	\$ 1,451,237.00	\$ 1,755,753.00	\$ 2,155,753.00

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability**

**OPEB Expense** - For the fiscal year ended June 30, 2023, the Charter School recognized \$454,219.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the Charter School. This expense and revenue was based on the OPEB Plan's June 30, 2022 measurement date.

**Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

**Deferred Outflows and Inflows of Resources** - In accordance with GASBS No. 75, the Charter School's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the Charter School; however, at June 30, 2023, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with Charter School, from the following sources are as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between Expected and Actual Experience	\$ 313,472.00	\$ 536,052.00
Changes of Assumptions	303,876.00	597,562.00
Changes in Proportion	<u>523,475.00</u>	<u>144,006.00</u>
	<u>\$ 1,140,823.00</u>	<u>\$ 1,277,620.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the Charter School, will be recognized in OPEB expense as follows:

<b>Fiscal Year Ending June 30,</b>	
2024	\$ (10,162.00)
2025	(10,162.00)
2026	(10,162.00)
2027	(5,319.00)
2028	25,364.00
Thereafter	<u>(126,356.00)</u>
	<u>\$ (136,797.00)</u>

**Note 9: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2023, the Charter School has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs, and long-term disability insurance were \$422,146.00, \$110,897.00, and \$447.00, respectively.

**Note 10: RISK MANAGEMENT**

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

**Property and Liability Insurance** - The Charter School maintains commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

**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 activity of the Charter School's unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>Charter School Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Claims Incurred</u>	<u>Ending Balance</u>	
					<u>Claims Payable</u>	<u>Restricted Fund Balance</u>
2023	\$ 2,884.38	\$ 7,545.22	\$ 45.46	\$ 13,313.98		
2022		2,860.35	11.36	16,139.44		\$ 2,838.92
2021		3,767.13	13.95	8,088.68		16,106.65

**Note 11: DEFERRED COMPENSATION**

The Charter School offers its employees a choice of two deferred compensation plans through one plan administrator created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrator is as follows:

**The OMNI Group (OMNI)**

**Note 12: INTERFUND RECEIVABLES AND PAYABLES**

**Interfunds** - The composition of interfund balances as of June 30, 2023 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 145,278.26	\$ 486,311.28
Special Revenue		140,102.62
Proprietary	486,311.28	5,175.64
	<u>\$ 631,589.54</u>	<u>\$ 631,589.54</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2024, the Charter School expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 13: CONTINGENCIES**

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

**Litigation** - The Charter School is in various stages of legal proceedings. It is believed that the outcome, or exposure to the Charter School, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**Note 14: CONCENTRATIONS**

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

**Note 15: FUND BALANCES****RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the Charter School's fund balance are summarized as follows:

**Special Revenue Fund**

**For Student Activities** - In accordance with N.J.A.C. 6A:23A-16.12(c), each charter school shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2023 is \$136.94.

**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the Charter School's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the Charter School's fund balance are summarized as follows:

**Other Purposes** - As of June 30, 2023, the Charter School had \$189,372.33 of encumbrances outstanding for purchase orders and contracts signed by the Charter School, but not completed, as of the close of the fiscal year.

**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The Charter School's unassigned fund balance is summarized as follows:

**General Fund** - As of June 30, 2023, \$1,711,095.34 of general fund balance was unassigned.

**Note 16: SUBSEQUENT EVENTS**

**COVID-19** - On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Charter School's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Charter School is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2024.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES**

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
State Sources:					
Charter School Aid:					
Local Levy/Equalization Aid:					
Local Share		\$ 573,707.00	\$ 573,707.00	\$ 573,707.00	
State Share	\$ 3,265,824.00	(777,165.00)	2,488,659.00	2,488,659.00	
Total - Local Levy/Equalization Aid	3,265,824.00	(203,458.00)	3,062,366.00	3,062,366.00	-
Categorical Aid:					
Adjustment Aid		189,406.00	189,406.00	189,406.00	
Special Education Aid	85,490.00	12,184.00	97,674.00	97,674.00	
Security Aid	103,033.00	(35,618.00)	67,415.00	67,415.00	
Total Categorical Aid	188,523.00	165,972.00	354,495.00	354,495.00	-
Total Charter School Aid	3,454,347.00	(37,486.00)	3,416,861.00	3,416,861.00	-
Other State Sources:					
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				110,897.00	\$ 110,897.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				422,146.00	422,146.00
On-Behalf T.P.A.F. Pension Contributions - Long-term Disability Insurance Premium (non-budgeted)				447.00	447.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				110,665.79	110,665.79
Total - Other State Sources	-	-	-	644,155.79	644,155.79
Total - State Sources	3,454,347.00	(37,486.00)	3,416,861.00	4,061,016.79	644,155.79
Revenue from Other Sources:					
Other Restricted Miscellaneous Revenues				18,884.36	18,884.36
Unrestricted Miscellaneous Revenues					
Total	-	-	-	18,884.36	18,884.36
Total Revenues	3,454,347.00	(37,486.00)	3,416,861.00	4,079,901.15	663,040.15

(Continued)



**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten		\$ 55,000.00	\$ 55,000.00	\$ 51,000.00	\$ 4,000.00
Grades 1-5	\$ 1,255,870.00	(689,299.51)	566,570.49	566,466.11	104.38
Grades 6-8		320,000.00	320,000.00	316,425.47	3,574.53
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	78,900.00	38,286.47	117,186.47	117,186.47	
Purchased Technical Services	7,000.00	42,500.00	49,500.00	49,500.00	
Other Purchased Services (400-500 Series)	22,000.00	(5,400.00)	16,600.00	15,959.22	640.78
General Supplies	20,200.00	(5,678.40)	14,521.60	12,786.56	1,735.04
Textbooks	42,000.00	1,463.37	43,463.37	43,463.37	
Other Objects	1,500.00	(760.00)	740.00	740.00	
Total Regular Programs	<u>1,427,470.00</u>	<u>(243,888.07)</u>	<u>1,183,581.93</u>	<u>1,173,527.20</u>	<u>10,054.73</u>
Special Education - Instruction:					
Resource Room / Resource Center:					
Salaries of Teachers		150,000.00	150,000.00	146,817.65	3,182.35
Total Resource Room / Resource Center	<u>-</u>	<u>150,000.00</u>	<u>150,000.00</u>	<u>146,817.65</u>	<u>3,182.35</u>
Total Instruction	<u>1,427,470.00</u>	<u>(93,888.07)</u>	<u>1,333,581.93</u>	<u>1,320,344.85</u>	<u>13,237.08</u>

(Continued)

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Health Services:					
Salaries		\$ 59,493.11	\$ 59,493.11	\$ 59,493.11	
Total Undistributed Expenditures - Health Services	-	59,493.11	59,493.11	59,493.11	-
Undistributed Expenditures - Speech, OT, PT and Related Services					
Salaries		55,000.00	55,000.00	52,000.00	\$ 3,000.00
Total Undistributed Expenditures - Speech, OT, PT and Related Services	-	55,000.00	55,000.00	52,000.00	3,000.00
Undistributed Expenditures - Child Study Team					
Salaries		10,000.00	10,000.00	7,500.00	2,500.00
Total Undistributed Expenditures - Child Study Team	-	10,000.00	10,000.00	7,500.00	2,500.00
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 111,000.00	44,625.29	155,625.29	95,568.29	60,057.00
Legal Services		35,000.00	35,000.00	4,980.00	30,020.00
Audit Fees		25,000.00	25,000.00	23,975.00	1,025.00
Purchased Technical Services	192,000.00	(81,527.84)	110,472.16	109,247.16	1,225.00
Communications / Telephone	50,000.00	(10,000.00)	40,000.00	35,531.69	4,468.31
Other Purchased Services	75,000.00	(47,949.90)	27,050.10	24,517.71	2,532.39
Supplies and Materials	39,000.00	(31,790.00)	7,210.00	5,838.36	1,371.64
Miscellaneous Expenditures	-	10,000.00	10,000.00	7,421.00	2,579.00
Total Undistributed Expenditures - Support Services - General Administration	467,000.00	(56,642.45)	410,357.55	307,079.21	103,278.34

(Continued)

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	\$ 161,000.00	\$ (41,294.04)	\$ 119,705.96	\$ 119,705.96	
Salaries of Secretarial and Clerical Assistants	30,000.00	5,000.00	35,000.00	30,557.00	\$ 4,443.00
Purchased Professional and Technical Services	46,000.00	(21,014.75)	24,985.25	24,985.25	
Other Purchased Services	184,250.00	(86,550.00)	97,700.00	59,157.81	38,542.19
	<u>421,250.00</u>	<u>(143,858.79)</u>	<u>277,391.21</u>	<u>234,406.02</u>	<u>42,985.19</u>
Total Undistributed Expenditures - Support Services - School Administration					
Undistributed Expenditures - Custodial Services of Plant Services:					
Rental of Land and Building Other than Lease Purchase	360,000.00	66,122.52	426,122.52	426,122.52	
Other Purchased Property Services	1391	145,438.35	146,829.35	146,829.35	
Insurance	74,500.00		74,500.00	69,708.00	4,792.00
General Supplies	50,456.54	(2,731.49)	47,725.05	44,266.83	3,458.22
Energy (Electricity)	218,500.00	(75,500.00)	143,000.00	138,559.39	4,440.61
Energy (Natural Gas)		20,000.00	20,000.00	18,673.21	1,326.79
Other Objects	4,750.00	2,801.00	7,551.00	563.67	6,987.33
	<u>709,597.54</u>	<u>156,130.38</u>	<u>865,727.92</u>	<u>844,722.97</u>	<u>21,004.95</u>
Total Undistributed Expenditures - Custodial Services					

(Continued)

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Unallocated Benefits - Employee Benefits:					
Social Security Contributions		\$ 50,000.00	\$ 50,000.00	\$ 49,173.65	\$ 826.35
TPAF/PERS Special Assessments		130,000.00	130,000.00	126,471.94	3,528.06
Other Retirement Contributions - PERS		60,000.00	60,000.00	55,112.00	4,888.00
Unemployment Compensation		15,000.00	15,000.00	10,429.60	4,570.40
Health Benefits	\$ 552,471.94	(278,720.18)	273,751.76	40,167.71	233,584.05
Other Employee Benefits	5,000.00		5,000.00	2,385.06	2,614.94
	<u>557,471.94</u>	<u>(23,720.18)</u>	<u>533,751.76</u>	<u>283,739.96</u>	<u>250,011.80</u>
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				110,897.00	(110,897.00)
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				422,146.00	(422,146.00)
On-behalf T.P.A.F. Pension Contributions - Long-term Disability Insurance Premium (non-budgeted)				447.00	(447.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				110,665.79	(110,665.79)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>644,155.79</u>	<u>(644,155.79)</u>
Total Undistributed Expenditures	<u>2,155,319.48</u>	<u>56,402.07</u>	<u>2,211,721.55</u>	<u>2,433,097.06</u>	<u>(221,375.51)</u>
Total Current Expense	<u>3,582,789.48</u>	<u>(37,486.00)</u>	<u>3,545,303.48</u>	<u>3,753,441.91</u>	<u>(208,138.43)</u>

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Total Expenditures	\$ 3,582,789.48	\$ (37,486.00)	\$ 3,545,303.48	\$ 3,753,441.91	\$ (208,138.43)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(128,442.48)	-	(128,442.48)	326,459.24	454,901.72
Fund Balances, July 1	1,574,008.43	-	1,574,008.43	1,574,008.43	-
Fund Balances, June 30	\$ 1,445,565.95	-	\$ 1,445,565.95	\$ 1,900,467.67	\$ 454,901.72
Recapitulation:					
Assigned Fund Balance:					
Year-End Encumbrances				\$ 189,372.33	
Unassigned Fund Balance				1,711,095.34	
				\$ 1,900,467.67	

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Revenue from Local Sources		\$ 6,658.24	\$ 6,658.24	\$ 5,451.33	\$ (1,206.91)
Total - Local Sources	-	6,658.24	6,658.24	5,451.33	(1,206.91)
Federal Sources:					
Title I	\$ 156,945.00		\$ 156,945.00	156,945.00	
Title IIA	13,997.00		13,997.00	13,997.00	
Title IV	10,000.00		10,000.00	10,000.00	
I.D.E.A. Basic	56,191.00		56,191.00	56,191.00	
American Rescue Plan - IDEA Basic					
I.D.E.A. Preschool	1,896.00		1,896.00	1,896.00	
American Rescue Plan - IDEA Preschool Incentive					
C.R.R.S.A. (ESSER II)		7,231.29	7,231.29	7,231.29	
C.R.R.S.A. (Learning)		1,115.50	1,115.50	1,115.50	
C.R.R.S.A. (Mental Health)		6,897.50	6,897.50	6,897.50	
American Rescue Plan - ESSER III		779,661.00	779,661.00	520,754.95	(258,906.05)
American Rescue Plan - Learning Support		50,000.00	50,000.00	48,852.68	(1,147.32)
American Rescue Plan - Summer Learning		40,000.00	40,000.00	20,125.00	(19,875.00)
American Rescue Plan - Beyond the School Day		40,000.00	40,000.00	20,503.61	(19,496.39)
American Rescue Plan - Mental Health		45,000.00	45,000.00	45,000.00	
Charter Expansion Grant	176,000.00		176,000.00	176,000.00	
Total - Federal Sources	415,029.00	969,905.29	1,384,934.29	1,085,509.53	(299,424.76)
State Sources:					
Security Grant		43,702.00	43,702.00	328.00	(43,374.00)
Total - State Sources	-	43,702.00	43,702.00	328.00	(43,374.00)
Total Revenues	415,029.00	1,020,265.53	1,435,294.53	1,091,288.86	(344,005.67)
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	120,000.00	460,000.00	580,000.00	402,506.75	177,493.25
Purchased Professional and Technical Services	2,245.00	15,000.00	17,245.00	15,595.00	1,650.00
Other Purchased Services (400-500 series)		58,000.00	58,000.00	57,230.92	769.08
Instructional Supplies	15,800.00	74,220.66	90,020.66	70,791.24	19,229.42
Total Instruction	138,045.00	607,220.66	745,265.66	546,123.91	199,141.75
Support Services:					
Salaries of Other Professional Staff	144,500.00		144,500.00	144,500.00	
Personal Services - Employee Benefits	92,700.00	189,000.00	281,700.00	187,200.00	94,500.00
Purchased Professional and Technical Services	36,784.00	108,761.00	145,545.00	144,397.68	1,147.32
Other Purchased Services (400-500 series)	3,000.00	10,000.00	13,000.00	8,364.31	4,635.69
Supplies and Materials		72,943.63	72,943.63	29,569.63	43,374.00
Student Activities		6,658.24	6,658.24	6,521.30	136.94
Total Support Services	276,984.00	387,362.87	664,346.87	520,552.92	143,793.95
Facilities Acquisition and Construction Services:					
Building		25,682.00	25,682.00	25,682.00	
Total Facilities Acquisition and Construction Services		25,682.00	25,682.00	25,682.00	
Total Expenditures	415,029.00	1,020,265.53	1,435,294.53	1,092,358.83	342,935.70
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(1,069.97)	\$ (1,069.97)
Fund Balance, July 1				1,206.91	
Fund Balance, June 30				\$ 136.94	
Recapitulation:					
Restricted:					
Student Activities				\$ 136.94	
Total Fund Balance				\$ 136.94	

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2023

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 4,079,901.15	\$ 1,091,288.86
Differences - Budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		<u>(29,807.49)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 4,079,901.15</u>	<u>\$ 1,061,481.37</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 3,753,441.91	\$ 1,092,358.83
Differences - Budget to GAAP: Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(29,807.49)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 3,753,441.91</u>	<u>\$ 1,062,551.34</u>

**REQUIRED SUPPLEMENTARY INFORMATION  
PART III**



**ACCOUNTING AND REPORTING FOR PENSIONS**

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Required Supplementary Information  
 Schedule of the Charter School's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Ten Plan Years

	<u>Measurement Date Ending June 30,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Charter School's Proportion of the Net Pension Liability	0.0043703332%	0.0042280176%	0.0037552920%	0.0021374405%	0.0020167352%
Charter School's Proportionate Share of the Net Pension Liability	\$ 659,543.00	\$ 500,872.00	\$ 612,390.00	\$ 385,134.00	\$ 397,085.00
Charter School's Covered Payroll (Plan Measurement Period)	\$ 260,596.00	\$ 325,372.00	\$ 218,744.00	\$ 153,360.00	\$ 162,364.00
Charter School's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	253.09%	153.94%	279.96%	251.13%	244.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	<u>Measurement Date Ending June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Charter School's Proportion of the Net Pension Liability	0.0027602750%	0.0022167173%	0.0021349681%	0.0008784724%	0.0000000000%
Charter School's Proportionate Share of the Net Pension Liability	\$ 642,548.00	\$ 656,528.00	\$ 479,258.00	\$ 164,474.00	\$ -
Charter School's Covered Payroll (Plan Measurement Period)	\$ 152,436.00	\$ 118,032.00	\$ 143,536.00	\$ 60,752.00	\$ 6,668.00
Charter School's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	421.52%	556.23%	333.89%	270.73%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Required Supplementary Information  
 Schedule of the Charter School's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Ten Fiscal Years

	<u>Fiscal Year Ended June 30,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 34,419.00	\$ 55,112.00	\$ 49,515.00	\$ 41,081.00	\$ 20,791.00
Contributions in Relation to the Contractually Required Contribution	<u>(34,419.00)</u>	<u>(55,112.00)</u>	<u>(49,515.00)</u>	<u>(41,081.00)</u>	<u>(20,791.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Charter School's Covered Payroll (Fiscal Year)	\$ 321,567.00	\$ 248,887.00	\$ 251,620.00	\$ 280,855.00	\$ 173,563.00
Contributions as a Percentage of Charter School's Covered Payroll	10.70%	22.14%	19.68%	14.63%	11.98%
	<u>Fiscal Year Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 20,060.00	\$ 25,571.00	\$ 19,693.00	\$ 18,355.00	\$ 7,242.00
Contributions in Relation to the Contractually Required Contribution	<u>(20,060.00)</u>	<u>(25,571.00)</u>	<u>(19,693.00)</u>	<u>(18,355.00)</u>	<u>(7,242.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Charter School's Covered Payroll (Fiscal Year)	\$ 115,257.00	\$ 124,534.00	\$ 98,824.00	\$ 114,682.00	\$ 132,665.00
Contributions as a Percentage of Charter School's Covered Payroll	17.40%	20.53%	19.93%	16.01%	5.46%

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Required Supplementary Information  
 Schedule of the Charter School's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity Fund (TPAF)  
 Last Ten Plan Years

	<b>Measurement Date Ending June 30,</b>				
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Charter School's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the Charter School	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Charter School's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Charter School	<u>4,166,733.00</u>	<u>4,488,398.00</u>	<u>7,123,348.00</u>	<u>9,293,572.00</u>	<u>5,525,386.00</u>
	<u>\$ 4,166,733.00</u>	<u>\$ 4,488,398.00</u>	<u>\$ 7,123,348.00</u>	<u>\$ 9,293,572.00</u>	<u>\$ 5,525,386.00</u>
Charter School's Covered Payroll (Measurement Period)	\$ 1,324,204.00	\$ 1,032,176.00	\$ 1,072,036.00	\$ 1,556,972.00	\$ 1,744,428.00
Charter School's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	314.66%	434.85%	664.47%	596.90%	316.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%
	<b>Measurement Date Ending June 30,</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Charter School's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the Charter School	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Charter School's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Charter School	<u>6,594,340.00</u>	<u>6,448,402.00</u>	<u>3,296,664.00</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,594,340.00</u>	<u>\$ 6,448,402.00</u>	<u>\$ 3,296,664.00</u>	<u>\$ -</u>	<u>\$ -</u>
Charter School's Covered Payroll (Measurement Period)	\$ 1,177,356.00	\$ 1,191,600.00	\$ 903,760.00	\$ 521,756.00	\$ 80,000.00
Charter School's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	560.10%	541.15%	364.77%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

**MILLVILLE PUBLIC CHARTER SCHOOL**  
Required Supplementary Information  
Schedule of Charter School's Contributions  
Teachers' Pension and Annuity Fund (TPAF)  
Last Ten Fiscal Years

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This schedule is not applicable.

The Charter School is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

**MILLVILLE PUBLIC CHARTER SCHOOL**  
Notes to Required Supplementary Information - Part III  
For the Fiscal Year Ended June 30, 2023

**Teachers' Pension and Annuity Fund (TPAF)****Changes in Benefit Terms:**

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

**Changes in Assumptions:**

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	4.25%
2021	7.00%	2016	3.22%
2020	5.40%	2015	4.13%
2019	5.60%	2014	4.68%
2018	4.86%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

For 2022, demographic assumptions were updated to reflect the most recent experience study for the period July 1, 2018 to June 30, 2021.

**Public Employees' Retirement System (PERS)****Changes in Benefit Terms:**

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

The June 30, 2022 measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability (TPL). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

**Changes in Assumptions:**

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	5.00%
2021	7.00%	2016	3.98%
2020	7.00%	2015	4.90%
2019	6.28%	2014	5.39%
2018	5.66%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	7.00%
2021	7.00%	2016	7.65%
2020	7.00%	2015	7.90%
2019	7.00%	2014	7.90%
2018	7.00%		

For 2022, demographic assumptions were updated to reflect the most recent experience study for the period July 1, 2018 to June 30, 2021.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART IV**

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Required Supplementary Information  
 Schedule of Changes in the Charter School's Total OPEB Liability and Related Ratios  
 Last Six Plan Years

	<u>Measurement Date Ending June 30,</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the Charter School</b>			
Changes for the Year:			
Service Cost	\$ 409,474.00	\$ 472,875.00	\$ 274,257.00
Interest Cost	46,529.00	55,665.00	61,049.00
Changes in Benefit Terms	-	(2,284.00)	
Difference between Expected and Actual Experience	(330,478.00)	(627,046.00)	83,361.00
Changes in Assumptions	(470,996.00)	2,117.00	417,744.00
Member Contributions	1,479.00	1,423.00	1,207.00
Gross Benefit Payments	(46,089.00)	(43,849.00)	(39,814.00)
Net Change in Total Non-Employer OPEB Liability	(390,081.00)	(141,099.00)	797,804.00
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	2,145,834.00	2,286,933.00	1,489,129.00
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 1,755,753.00</u>	<u>\$ 2,145,834.00</u>	<u>\$ 2,286,933.00</u>
Charter School's Covered Payroll (Plan Measurement Period)	<u>\$ 1,435,146.00</u>	<u>\$ 1,843,139.00</u>	<u>\$ 1,157,628.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Charter School as a Percentage of Covered Payroll	122.34%	116.42%	197.55%

	<u>Measurement Date Ending June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the Charter School</b>			
Changes for the Year:			
Service Cost	\$ 316,246.00	\$ 241,873.00	\$ 292,699.00
Interest Cost	67,399.00	53,399.00	42,224.00
Changes in Benefit Terms			
Difference between Expected and Actual Experience	(319,657.00)	87,225.00	
Changes in Assumptions	22,203.00	(166,084.00)	(241,286.00)
Member Contributions	1,355.00	1,338.00	1,082.00
Gross Benefit Payments	(45,712.00)	(38,700.00)	(29,375.00)
Net Change in Total Non-Employer OPEB Liability	41,834.00	179,051.00	65,344.00
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	1,447,295.00	1,268,244.00	1,202,900.00
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 1,489,129.00</u>	<u>\$ 1,447,295.00</u>	<u>\$ 1,268,244.00</u>
Charter School's Covered Payroll (Plan Measurement Period)	<u>\$ 1,059,463.00</u>	<u>\$ 1,383,101.00</u>	<u>\$ 1,308,216.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Charter School as a Percentage of Covered Payroll	140.56%	104.64%	96.94%

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



**MILLVILLE PUBLIC CHARTER SCHOOL**  
Notes to Required Supplementary Information - Part IV  
For the Fiscal Year Ended June 30, 2023

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**Changes in Benefit Terms:**

None.

**Changes in Assumptions:**

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included update in trend and experience study.

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend is 5.00%.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2023

	E.S.S.A.			IDEA Basic	IDEA Preschool	Coronavirus Response and Relief (ESSER II)	Coronavirus Response and Relief Learning	Coronavirus Response and Relief Mental Health	ESSER III	American Rescue Plan			Mental Health	SDA Security Grant	Charter Expansion Grant	Student Activity Fund	Total
	Title I	Title II A	Title IV							Learning Support	Summer Learning	Beyond the School Day					
<b>REVENUES:</b>																	
Federal Sources	\$ 156,945.00	\$ 13,997.00	\$ 10,000.00	\$ 56,191.00	\$ 1,896.00	\$ 7,231.29	\$ 1,115.50	\$ 6,897.50	\$ 520,754.95	\$ 48,852.68	\$ 20,125.00	\$ 20,503.61	\$ 45,000.00	\$ 328.00	\$ 176,000.00		\$ 1,085,509.53
State Sources																	328.00
Local Sources																\$ 5,451.33	5,451.33
<b>Total Revenues</b>	<b>156,945.00</b>	<b>13,997.00</b>	<b>10,000.00</b>	<b>56,191.00</b>	<b>1,896.00</b>	<b>7,231.29</b>	<b>1,115.50</b>	<b>6,897.50</b>	<b>520,754.95</b>	<b>48,852.68</b>	<b>20,125.00</b>	<b>20,503.61</b>	<b>45,000.00</b>	<b>328.00</b>	<b>176,000.00</b>	<b>5,451.33</b>	<b>1,091,288.86</b>
<b>EXPENDITURES:</b>																	
<b>Instruction:</b>																	
Salaries of Teachers	90,000.00			30,000.00					273,825.50		125.00	8,556.25					402,506.75
Purchased Professional and Technical Services	2,245.00								13,350.00								15,595.00
Other Purchased Services (400-500 series)									57,230.92								57,230.92
Instructional Supplies	5,800.00		10,000.00			3,560.66			19,483.22		20,000.00	11,947.36					70,791.24
<b>Total Instruction</b>	<b>98,045.00</b>	<b>-</b>	<b>10,000.00</b>	<b>30,000.00</b>	<b>-</b>	<b>3,560.66</b>	<b>-</b>	<b>-</b>	<b>363,889.64</b>	<b>-</b>	<b>20,125.00</b>	<b>20,503.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>546,123.91</b>
<b>Support Services:</b>																	
Salaries of Other Professional Staff															144,500.00		144,500.00
Personal Services - Employee Benefits	45,900.00			15,300.00					94,500.00						31,500.00		187,200.00
Purchased Professional and Technical Services	10,000.00	13,997.00		10,891.00	1,896.00	748.00	1,115.50	6,897.50	5,000.00	48,852.68			45,000.00				144,397.68
Purchased Professional - Educational Services																	-
Purchased Property Services																	-
Other Purchased Services (400-500 series)	3,000.00								5,364.31								8,364.31
Supplies and Materials						2,922.63			26,647.00								29,569.63
Student Activities																6,521.30	6,521.30
<b>Total Support Services</b>	<b>58,900.00</b>	<b>13,997.00</b>	<b>-</b>	<b>26,191.00</b>	<b>1,896.00</b>	<b>3,670.63</b>	<b>1,115.50</b>	<b>6,897.50</b>	<b>131,511.31</b>	<b>48,852.68</b>	<b>-</b>	<b>-</b>	<b>45,000.00</b>	<b>-</b>	<b>176,000.00</b>	<b>6,521.30</b>	<b>520,552.92</b>
<b>Facilities Acquisition and Construction Services:</b>																	
Building									25,354.00					328.00			25,682.00
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,354.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>328.00</b>	<b>-</b>	<b>-</b>	<b>25,682.00</b>
<b>Total Expenditures</b>	<b>156,945.00</b>	<b>13,997.00</b>	<b>10,000.00</b>	<b>56,191.00</b>	<b>1,896.00</b>	<b>7,231.29</b>	<b>1,115.50</b>	<b>6,897.50</b>	<b>520,754.95</b>	<b>48,852.68</b>	<b>20,125.00</b>	<b>20,503.61</b>	<b>45,000.00</b>	<b>328.00</b>	<b>176,000.00</b>	<b>6,521.30</b>	<b>1,092,358.83</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,069.97)	(1,069.97)
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,206.91	1,206.91
Fund Balance, June 30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 136.94	\$ 136.94	

**PROPRIETARY FUNDS**

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Proprietary Funds  
 Business-Type Activities - Enterprise Funds  
 Statement of Net Position  
 June 30, 2023

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Interfund Accounts Receivable:	
General Fund	\$ 486,311.28
Intergovernmental Accounts Receivable:	
State	1,747.65
Federal	53,911.71
Inventory	<u>12,121.63</u>
Total Current Assets	<u>554,092.27</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	57,014.04
Less Accumulated Depreciation	<u>(5,134.41)</u>
Total Noncurrent Assets	<u>51,879.63</u>
Total Assets	<u>605,971.90</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	<u>2,309.55</u>
Total Current Liabilities	<u>2,309.55</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	51,879.63
Unrestricted	<u>551,782.72</u>
Total Net Position	<u><u>\$ 603,662.35</u></u>

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Proprietary Funds  
 Business-Type Activities - Enterprise Funds  
 Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2023

	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 55,357.28
Daily Sales - Non-Reimbursable Programs	<u>8,392.50</u>
Total Operating Revenues	<u>63,749.78</u>
<b>OPERATING EXPENSES:</b>	
Salaries	276,805.24
Purchased Professional and Technical Services	3,243.00
Other Purchased Services	56,909.91
Cost of Sales - Reimbursable Programs	373,913.06
Cost of Sales - Non-Reimbursable Programs	3,050.26
Supplies and Materials	7,155.84
Depreciation	<u>2,498.39</u>
Total Operating Expenses	<u>723,575.70</u>
Operating Income / (Loss)	<u>(659,825.92)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Sources:	
State School Lunch Program	13,726.04
State Breakfast Program	9,600.90
Federal Sources:	
National School Lunch Program	511,664.34
School Breakfast Program	213,235.39
Summer Food Service Program for Children - Lunch	9,478.20
Food Distribution Program	<u>78,507.66</u>
Total Nonoperating Revenues (Expenses)	<u>836,212.53</u>
Change in Net Position	176,386.61
Net Position -- July 1	<u>427,275.74</u>
Net Position -- June 30	<u>\$ 603,662.35</u>

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Proprietary Funds  
 Business-Type Activities - Enterprise Funds  
 Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2023

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 63,749.78
Payments to Employees	(276,805.24)
Payments to Suppliers	<u>(363,998.65)</u>
Net Cash Provided by (used for) Operating Activities	<u>(577,054.11)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
State Sources	22,355.35
Federal Sources	728,749.61
Operating Subsidies, Transfers to Other Funds and Refunds	<u>(154,512.78)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>596,592.18</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchases of Capital Assets	<u>(19,538.07)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(19,538.07)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-
Cash and Cash Equivalents -- July 1	<u>-</u>
Cash and Cash Equivalents -- June 30	<u><u>-</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
by Operating Activities:	
Operating Income (Loss)	\$ (659,825.92)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation	2,498.39
Food Distribution Program	78,507.66
(Increase) Decrease in Inventories	2,530.26
Increase (Decrease) in Accounts Payable	<u>(764.50)</u>
Total Adjustments	<u>82,771.81</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (577,054.11)</u></u>



**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Proprietary Funds  
 Governmental Activities - Internal Service Funds  
 Combining Statement of Net Position  
 June 30, 2023

	Vineland Public Charter School	Bridgeton Public Charter School	Total
<b>ASSETS:</b>			
Current Assets:			
Accounts Receivable:			
Other Local Governments	\$ 2,587.82	\$ 2,587.82	\$ 5,175.64
Total Current Assets	<u>2,587.82</u>	<u>2,587.82</u>	<u>5,175.64</u>
Total Assets	<u>2,587.82</u>	<u>2,587.82</u>	<u>5,175.64</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Interfund Accounts Payable:			
Due General Fund	<u>2,587.82</u>	<u>2,587.82</u>	<u>5,175.64</u>
Total Current Liabilities	<u>2,587.82</u>	<u>2,587.82</u>	<u>5,175.64</u>
Total Liabilities	<u>2,587.82</u>	<u>2,587.82</u>	<u>5,175.64</u>
<b>NET POSITION:</b>			
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Proprietary Funds  
 Governmental Activities - Internal Service Funds  
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2023

	Vineland Public Charter School	Bridgeton Public Charter School	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Services Provided to Other Governments	\$ 28,929.85	\$ 24,144.55	\$ 53,074.40
Total Operating Revenues	<u>28,929.85</u>	<u>24,144.55</u>	<u>53,074.40</u>
OPERATING EXPENSES:			
Purchased Professional Services	<u>28,929.85</u>	<u>24,144.55</u>	<u>53,074.40</u>
Total Operating Expenses	<u>28,929.85</u>	<u>24,144.55</u>	<u>53,074.40</u>
Operating Income / (Loss)	<u>-</u>	<u>-</u>	<u>-</u>
Net Position -- July 1	<u>-</u>	<u>-</u>	<u>-</u>
Net Position -- June 30	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Proprietary Funds  
 Governmental Activities - Internal Service Funds  
 Combining Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2023

	Vineland Public Charter School	Bridgeton Public Charter School	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 56,824.53	\$ 32,097.93	\$ 88,922.46
Payments to Vendors	<u>(28,929.85)</u>	<u>\$ (24,144.55)</u>	<u>(53,074.40)</u>
Net Cash Provided by (used for) Operating Activities	<u>27,894.68</u>	<u>7,953.38</u>	<u>35,848.06</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Operating Subsidies and Transfers to Other Funds	<u>(27,894.68)</u>	<u>(7,953.38)</u>	<u>(35,848.06)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>(27,894.68)</u>	<u>(7,953.38)</u>	<u>(35,848.06)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents -- July 1	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents -- June 30	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**STATISTICAL SECTION**

## **FINANCIAL TRENDS INFORMATION**

Financial trends information is intended to assist the user in understanding and assessing how the Charter School's financial position has changed over time. Please refer to the following exhibits for a historical view of the Charter School's financial performance.

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Net Position by Component  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ended									
	June 30, 2023	June 30, 2022	June 30, 2021 (2)	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015 (1)	June 30, 2014
Governmental Activities										
Net Investment in Capital Assets (Deficit)	\$ (1,284,121.45)	\$ (1,084,520.94)	\$ (952,472.32)	\$ (754,311.70)	\$ (547,317.28)	\$ 22,507.50	\$ 14,257.32	\$ 23,588.83	\$ 29,090.57	\$ 32,245.17
Restricted	136.94	4,045.83	18,049.94						941.00	13,911.51
Unrestricted (Deficit)	1,429,790.75	1,084,891.06	221,002.25	73,608.81	(97,668.32)	(413,053.49)	(324,884.26)	(75,277.16)	18,363.70	26,589.26
<b>Total Governmental Activities Net Position (Deficit)</b>	<b>\$ 145,806.24</b>	<b>\$ 4,415.95</b>	<b>\$ (713,420.13)</b>	<b>\$ (680,702.89)</b>	<b>\$ (644,985.60)</b>	<b>\$ (390,545.99)</b>	<b>\$ (310,626.94)</b>	<b>\$ (51,688.33)</b>	<b>\$ 48,395.27</b>	<b>\$ 72,745.94</b>
Business-type Activities										
Unrestricted	\$ 551,782.72	\$ 392,435.79	\$ 158,928.18	\$ 26,186.92	\$ 26,186.92	\$ 25,461.44	\$ 22,001.74	\$ 3,695.49		
<b>Total Business-type Activities Net Position</b>	<b>\$ 603,662.35</b>	<b>\$ 427,275.74</b>	<b>\$ 183,563.55</b>	<b>\$ 26,186.92</b>	<b>\$ 26,186.92</b>	<b>\$ 25,461.44</b>	<b>\$ 22,001.74</b>	<b>\$ 3,695.49</b>	<b>-</b>	<b>-</b>
Government-wide										
Net Investment in Capital Assets (Deficit)	\$ (1,232,241.82)	\$ (1,049,680.99)	\$ (927,836.95)	\$ (754,311.70)	\$ (547,317.28)	\$ 22,507.50	\$ 14,257.32	\$ 23,588.83	\$ 29,090.57	\$ 32,245.17
Restricted	136.94	4,045.83	18,049.94						941.00	13,911.51
Unrestricted (Deficit)	1,981,573.47	1,477,326.85	379,930.43	99,795.73	(71,481.40)	(387,592.05)	(302,882.52)	(71,581.67)	18,363.70	26,589.26
<b>Total Government-wide Net Position (Deficit)</b>	<b>\$ 749,468.59</b>	<b>\$ 431,691.69</b>	<b>\$ (529,856.58)</b>	<b>\$ (654,515.97)</b>	<b>\$ (618,798.68)</b>	<b>\$ (362,084.55)</b>	<b>\$ (288,625.20)</b>	<b>\$ (47,992.84)</b>	<b>\$ 48,395.27</b>	<b>\$ 72,745.94</b>

Source: Charter School's Records

(1) Beginning for the fiscal year ended June 30, 2015, the Charter School implemented GASB 68.

(2) In accordance with GASB 84, effective for the fiscal year ended June 30, 2021, several funds of the Charter School that were reported as fiduciary fund types in the prior fiscal year are now reported in governmental activities.

**MILLVILLE PUBLIC CHARTER SCHOOL**  
Changes in Net Position  
Last Ten Fiscal Years (accrual basis of accounting)  
Unaudited

	Fiscal Year Ended									
	June 30, 2023	June 30, 2022	June 30, 2021 (2)	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015 (1)	June 30, 2014
<b>Expenses</b>										
Governmental Activities										
Regular Instruction	\$ 1,706,246.40	\$ 957,688.44	\$ 971,725.93	\$ 643,019.99	\$ 1,031,338.20	\$ 1,322,766.57	\$ 1,497,296.85	\$ 1,198,604.91		
Special Education Instruction	146,817.65	326,395.00	265,580.00	216,729.00				4,251.50		
Support Services and Undistributed Costs:										
Student and Instruction Related Services	693,243.85	589,552.44	422,995.75	288,235.33	224,569.90	142,716.29	256,883.00	126,403.84		
School Administrative Services	544,658.63	504,813.28	458,289.34	662,964.48	606,992.36	357,703.36	500,073.97	293,641.96		
Other Administrative Services	189,299.00	184,059.73	141,951.55	9,975.11	26,068.24	183,659.59	104,816.53	104,861.93		
Plant Operations and Maintenance	623,683.14	600,032.75	550,705.81	611,753.93	511,885.91	819,671.15	685,884.10	467,441.31		
Unallocated Benefits	295,621.96	395,228.85	795,633.78	933,261.74	569,988.79	950,910.62	750,898.08	626,241.23		
Reimbursed TPAF Pension and Social Security	644,155.79	504,086.28	445,447.68	398,249.73	508,218.72	310,774.54	302,025.62	223,141.92		
Unallocated Depreciation				199,607.43	199,607.43	199,607.43	196,825.43			
Interest on Long-Term Debt	426,122.94	360,000.00	360,000.00							
Instruction									\$ 1,219,713.57	\$ 914,731.89
Administration									605,215.11	555,422.57
Support Services									718,706.81	568,943.61
Unallocated Benefits									27,281.00	10,978.00
<b>Total Governmental Activities Expenses</b>	<b>5,269,849.16</b>	<b>4,421,856.77</b>	<b>4,412,329.84</b>	<b>3,963,796.74</b>	<b>3,678,649.55</b>	<b>4,287,809.55</b>	<b>4,294,701.58</b>	<b>3,044,588.60</b>	<b>2,570,916.49</b>	<b>2,050,076.07</b>
Business-type Activities:										
Food Service	723,575.70	712,514.63	547,194.99	427,609.15	427,609.15	100,690.64	113,363.56	123,855.60	117,318.56	87,125.74
Before & After School Program						12,032.61	7,689.30	20,282.21		
<b>Total Business-type Activities Expense</b>	<b>723,575.70</b>	<b>712,514.63</b>	<b>547,194.99</b>	<b>427,609.15</b>	<b>427,609.15</b>	<b>112,723.25</b>	<b>121,052.86</b>	<b>144,137.81</b>	<b>87,125.74</b>	<b>87,125.74</b>
<b>Total District Expenses</b>	<b>\$ 5,993,424.86</b>	<b>\$ 5,134,371.40</b>	<b>\$ 4,959,524.83</b>	<b>\$ 4,391,405.89</b>	<b>\$ 4,106,258.70</b>	<b>\$ 4,400,532.80</b>	<b>\$ 4,415,754.44</b>	<b>\$ 3,188,726.41</b>	<b>\$ 2,658,042.23</b>	<b>\$ 2,137,201.81</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services	\$ 58,525.73	\$ 41,111.38	\$ 13,380.57	\$ 67,290.38	\$ 41,895.13	\$ 77,999.11	\$ 77,286.14			
Operating Grants and Contributions	1,725,466.80	1,461,794.32	1,497,751.28	1,291,042.73	1,163,883.39	1,137,703.54	997,435.62	\$ 576,941.27	\$ 319,794.14	\$ 204,799.56
Capital Grants and Contributions	6,656.00	69,672.00								
<b>Total Governmental Activities Program Revenues</b>	<b>1,792,648.53</b>	<b>1,572,577.70</b>	<b>1,511,131.85</b>	<b>1,358,333.11</b>	<b>1,225,778.52</b>	<b>1,215,702.65</b>	<b>1,074,721.76</b>	<b>576,941.27</b>	<b>319,794.14</b>	<b>204,799.56</b>
Business-type activities:										
Charges for services										
Food Service	63,749.78	4,156.87		40,733.58	40,733.58	18,047.89	16,068.50	17,773.10	13,978.99	12,258.65
Before & After School Program						10,513.50	24,453.67	23,977.70		
Operating Grants and Contributions	836,212.53	952,069.95	704,571.62	395,250.07	395,250.07	87,621.56	98,836.94	83,453.93	75,946.94	68,479.92
<b>Total Business-type Activities Program Revenues</b>	<b>899,962.31</b>	<b>956,226.82</b>	<b>704,571.62</b>	<b>435,983.65</b>	<b>435,983.65</b>	<b>116,182.95</b>	<b>139,359.11</b>	<b>125,204.73</b>	<b>89,925.93</b>	<b>80,738.57</b>
<b>Total District Program Revenues</b>	<b>\$ 2,692,610.84</b>	<b>\$ 2,528,804.52</b>	<b>\$ 2,215,703.47</b>	<b>\$ 1,794,316.76</b>	<b>\$ 1,661,762.17</b>	<b>\$ 1,331,885.60</b>	<b>\$ 1,214,080.87</b>	<b>\$ 702,146.00</b>	<b>\$ 409,720.07</b>	<b>\$ 285,538.13</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Local Levy and Charter School Aid	\$ 3,416,861.00	\$ 3,382,245.00	\$ 2,691,127.00	\$ 2,556,317.00	\$ 2,160,381.00	\$ 2,981,863.00	\$ 2,955,700.00	\$ 2,389,529.00	\$ 2,241,227.37	\$ 1,850,340.56
Miscellaneous Income	201,729.92	184,870.15	155,468.53	13,429.34	23,926.17	10,324.85	5,341.21	663.30	12,936.94	588.09
Transfers							(22,628.57)	(27,392.63)		
<b>Total Governmental Activities</b>	<b>3,618,590.92</b>	<b>3,567,115.15</b>	<b>2,846,595.53</b>	<b>2,569,746.34</b>	<b>2,184,307.17</b>	<b>2,992,187.85</b>	<b>2,961,041.21</b>	<b>2,367,563.73</b>	<b>2,226,771.68</b>	<b>1,850,928.65</b>
Business-type activities:										
Transfers								22,628.57	27,392.63	-
<b>Total Business Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,628.57</b>	<b>27,392.63</b>	<b>-</b>
<b>Total Government-wide</b>	<b>\$ 3,618,590.92</b>	<b>\$ 3,567,115.15</b>	<b>\$ 2,846,595.53</b>	<b>\$ 2,569,746.34</b>	<b>\$ 2,184,307.17</b>	<b>\$ 2,992,187.85</b>	<b>\$ 2,961,041.21</b>	<b>\$ 2,390,192.30</b>	<b>\$ 2,254,164.31</b>	<b>\$ 1,850,928.65</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ 141,390.29	\$ 717,836.08	\$ (54,602.46)	\$ (35,717.29)	\$ (254,439.61)	\$ (79,919.05)	\$ (258,938.61)	\$ (100,083.60)	\$ (24,350.67)	\$ 5,652.14
Business-type Activities	176,386.61	243,712.19	157,376.63	8,374.50	(7,649.02)	3,459.70	18,306.25	3,695.49		
<b>Total Government-wide Net (Expense)/Revenue</b>	<b>\$ 317,776.90</b>	<b>\$ 961,548.27</b>	<b>\$ 102,774.17</b>	<b>\$ (27,342.79)</b>	<b>\$ (262,088.63)</b>	<b>\$ (76,459.35)</b>	<b>\$ (240,632.36)</b>	<b>\$ (96,388.11)</b>	<b>\$ (24,350.67)</b>	<b>\$ 5,652.14</b>

Source: Charter School's Records

(1) Beginning for the fiscal year ended June 30, 2015, the Charter School implemented GASB 68.

(2) In accordance with GASB 84, effective for the fiscal year ended June 30, 2021, several funds of the Charter School that were reported as fiduciary fund types in the prior fiscal year are now reported in governmental activities.

**MILLVILLE PUBLIC CHARTER SCHOOL**  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years (modified accrual basis of accounting)  
Unaudited

	Fiscal Year Ended									
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021 (1)</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
General Fund										
Committed										
Restricted		\$ 2,838.92	\$ 16,106.65							
Assigned	\$ 189,372.33	131,319.48	35,000.00	\$ 49,538.75		\$ 83,293.58	\$ 1,850.00	\$ 460.00	\$ 941.00	\$ 13,911.51
Unassigned	1,711,095.34	1,439,850.03	696,042.53	453,631.94	\$ 247,050.00	163,488.16	29,318.17	32,987.84	45,644.70	26,589.26
<b>Total General Fund</b>	<b>\$ 1,900,467.67</b>	<b>\$ 1,574,008.43</b>	<b>\$ 747,149.18</b>	<b>\$ 503,170.69</b>	<b>\$ 247,050.00</b>	<b>\$ 246,781.74</b>	<b>\$ 31,168.17</b>	<b>\$ 33,447.84</b>	<b>\$ 46,585.70</b>	<b>\$ 40,500.77</b>
All Other Governmental Funds										
Restricted	\$ 136.94	\$ 1,206.91	\$ 1,943.29							
<b>Total All Other Governmental Funds</b>	<b>\$ 136.94</b>	<b>\$ 1,206.91</b>	<b>\$ 1,943.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Source: Charter School's Records

(1) In accordance with GASB 84, effective for the fiscal year ended June 30, 2021, several funds of the Charter School that were reported as fiduciary fund types in the prior fiscal year are now reported in governmental fund types.



**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	June 30, 2023	June 30, 2022	June 30, 2021 (1)	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>Revenues</b>										
Local Levy	\$ 3,062,366.00	\$ 3,205,107.00	\$ 2,428,830.00	\$ 2,419,984.00	\$ 2,047,136.00	\$ 2,605,981.00	\$ 2,747,486.00	\$ 2,291,206.00	\$ 2,038,154.00	\$ 1,719,319.00
Revenue From Other Sources	18,884.36	10,340.74	7,461.06	13,429.34	23,926.17	10,324.85	5,341.21	663.30	12,936.94	588.09
State Sources	1,017,936.79	700,896.28	707,744.68	534,582.73	621,463.72	687,466.54	510,239.62	321,464.92	231,272.37	131,021.56
Local Sources	5,451.33	1,318.57	1,152.57			4,185.00				1,000.00
Federal Sources	1,036,744.04	759,097.66	567,662.92	293,592.00	486,225.67	229,172.00	322,345.00	218,137.35	319,794.14	203,799.56
<b>Total Revenue</b>	<b>5,141,382.52</b>	<b>4,676,760.25</b>	<b>3,712,851.23</b>	<b>3,261,588.07</b>	<b>3,178,751.56</b>	<b>3,537,129.39</b>	<b>3,585,411.83</b>	<b>2,831,471.57</b>	<b>2,602,157.45</b>	<b>2,055,728.21</b>
<b>Expenditures</b>										
Regular Instruction	1,706,246.40	957,688.44	967,725.92	615,587.21	998,505.79	1,288,798.32	1,453,311.00	1,168,463.48		
Special Education Instruction	146,817.65	326,395.00	265,580.00	216,729.00				4,251.50		
Support Services and Undistributed Costs:										
Student and Instruction Related Services	640,169.25	580,242.13	410,767.75	278,033.38	180,159.93	137,384.75	256,883.00	126,403.84		
School Administrative Services	541,485.23	469,706.80	462,914.53	630,596.64	646,334.60	325,941.85	540,592.59	318,281.65		
Other Administrative Services		4,078.77			838.56	183,659.59	84,571.21	104,861.93		
Plant Operations and Maintenance	844,722.97	758,781.44	707,305.34	611,753.93	528,955.91	816,294.15	686,734.00	467,441.31		
Unallocated Benefits	283,739.96	175,831.85	224,458.78	268,641.74	315,469.79	244,477.62	263,574.08	409,135.23		
Reimbursed TPAF Pension and Social Security	644,155.79	504,086.28	445,447.68	398,249.73	508,218.72	310,774.54	302,025.62	223,141.92		
Instruction Administration									1,209,743.97	898,008.34
Support Services									605,215.11	555,422.57
Capital Outlay	8,656.00	73,826.67	4,614.67		21,293.17	14,185.00	48,596.69	84,295.00	746,905.81	581,791.05
									19,815.00	20,938.00
<b>Total Expenditures</b>	<b>4,815,993.25</b>	<b>3,850,637.38</b>	<b>3,488,814.67</b>	<b>3,019,591.63</b>	<b>3,199,776.47</b>	<b>3,321,515.82</b>	<b>3,636,288.19</b>	<b>2,906,275.86</b>	<b>2,581,679.89</b>	<b>2,056,159.96</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	325,389.27	826,122.87	224,036.56	241,996.44	(21,024.91)	215,613.57	(50,876.36)	(74,804.29)	20,477.56	(431.75)
<b>Other Financing Sources (Uses)</b>										
Transfers In										
Financed Purchases (Non-Budgeted)					21,293.17		48,596.69	84,295.00	13,000.00	
Transfers Out								(22,628.57)	(27,392.63)	
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,293.17</b>	<b>-</b>	<b>48,596.69</b>	<b>61,666.43</b>	<b>(14,392.63)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 325,389.27</b>	<b>\$ 826,122.87</b>	<b>\$ 224,036.56</b>	<b>\$ 241,996.44</b>	<b>\$ 268.26</b>	<b>\$ 215,613.57</b>	<b>\$ (2,279.67)</b>	<b>\$ (13,137.86)</b>	<b>\$ 6,084.93</b>	<b>\$ (431.75)</b>
Debt Service as a Percentage of Noncapital Expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Charter School's Records

(1) In accordance with GASB 84, effective for the fiscal year ended June 30, 2021, several funds of the Charter School that were reported as fiduciary fund types in the prior fiscal year are now reported in governmental fund types.

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
E-Rate Reimbursements					\$ 15,135.92	\$ 6,444.00				
Miscellaneous	\$ 18,884.36	\$ 10,340.74	\$ 7,461.06	\$ 13,429.34	8,790.25	3,880.85	\$ 5,341.21	\$ 663.30	\$ 12,936.94	\$ 588.09
	<u>\$ 18,884.36</u>	<u>\$ 10,340.74</u>	<u>\$ 7,461.06</u>	<u>\$ 13,429.34</u>	<u>\$ 23,926.17</u>	<u>\$ 10,324.85</u>	<u>\$ 5,341.21</u>	<u>\$ 663.30</u>	<u>\$ 12,936.94</u>	<u>\$ 588.09</u>

Source: District Records.

## **Debt Capacity Information**

Debt capacity information is intended to assist users in understanding and assessing the Charter School's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the Charter School's outstanding debt and its debt capacity.

**MILLVILLE PUBLIC CHARTER SCHOOL**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited

Fiscal Year <u>June 30.</u>	General Obligation <u>Bonds</u>	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		Total Charter School	Percentage of Personal Income (1)	<u>Per Capita (2)</u>
		<u>Mortgages Payable</u>	<u>Financed Purchases</u>	<u>Loan Payable</u>	<u>Leases</u>				
2023	N/A	\$ 6,621,488.00		N/A	N/A	\$ 6,621,488.00	Unavailable	Unavailable	
2022	N/A	6,551,488.00		N/A	N/A	6,551,488.00	Unavailable	Unavailable	
2021	N/A	6,551,488.00	\$ 6,654.04	N/A	N/A	6,558,142.04	0.499%	\$ 47,559.00	
2020	N/A	6,551,488.00	11,977.36	N/A	N/A	6,563,465.36	0.534%	45,498.00	
2019	N/A	6,551,488.00	37,908.09	N/A	N/A	6,589,396.09	0.583%	41,327.00	
2018	N/A	6,551,488.00	54,287.79	N/A	N/A	6,605,775.79	0.607%	39,448.00	
2017	N/A	6,551,488.00	89,103.33	N/A	N/A	6,640,591.33	0.626%	38,353.00	
2016	N/A	N/A	75,160.98	N/A	N/A	75,160.98	0.007%	37,100.00	
2015	N/A	N/A	15,505.67	N/A	N/A	15,505.67	0.002%	36,322.00	
2014	N/A	N/A	14,394.11	N/A	N/A	14,394.11	0.001%	34,972.00	

**Note:** The Charter School does not have outstanding debt.

- (1) Personal income has been estimated based upon the municipal population and per capita (See Exhibit J-14)  
(2) Per capita personal income (See Exhibit J-14)

## **Demographic and Economic Information**

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the Charter School operates and (2) to provide information that facilitates comparisons of financial statement information over time and among Charter Schools. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the Charter School operates.

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Demographic and Economic Statistics (1)  
 Last Ten Fiscal Years  
 Unaudited

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<u>Year</u>	<u>Population (2)</u>	<u>Personal Income (3)</u>	<u>Per Capita Personal Income (4)</u>	<u>Unemployment Rate (5)</u>
2023	Unavailable	Unavailable	Unavailable	Unavailable
2022	27,308	Unavailable	Unavailable	5.00%
2021	27,638	\$ 1,314,435,642.00	\$ 47,559.00	7.80%
2020	27,025	1,229,583,450.00	45,498.00	11.50%
2019	27,346	1,130,128,142.00	41,327.00	5.50%
2018	27,565	1,087,384,120.00	39,448.00	6.40%
2017	27,664	1,060,997,392.00	38,353.00	6.90%
2016	27,898	1,035,015,800.00	37,100.00	7.40%
2015	28,107	1,020,902,454.00	36,322.00	8.80%
2014	28,333	990,861,676.00	34,972.00	9.50%

**Source:**

- (1) Data provided for Cumberland, New Jersey.
- (2) Population information provided by the NJ Dept of Labor and Workforce Development.
- (3) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (4) Per Capita personal income is based upon Regional Economic Information System, Bureau of Economic Analysis
- (5) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

## MILLVILLE PUBLIC CHARTER SCHOOL

Principal Employers

Current Year and Nine Years Ago

Unaudited

<u>Employer (1)</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>
Durand Glass Mfg Co	800	1	5.8%	1,100	1	8.0%
Walmart	350	2	2.5%	295	5	2.1%
Texas Roadhouse	300	3	2.2%			
Seb Groupe	250	4	1.8%	200	7	1.5%
Millville Center	200	5	1.5%			
T-Fal	200	6	1.5%			
Lowe's Home Improvement	200	7	1.5%			
Arc International N America	198	8	1.4%			
Shop Rite	183	9	1.3%			
Former Wheaton Industries Inc	169	10	1.2%			
Dallas Airmotive, Inc.				300	2	2.2%
Silverton Marine Corporation				300	3	2.2%
The Prudential Insurance Company of America				300	4	2.2%
Bemis Company, Inc.				250	6	1.8%
Cumberland County Homemaker-Home Health				200	8	1.5%
Genesis Eldercare National Centers, Inc.				200	9	1.5%
Cumberland County Guidance Center				190	10	1.4%
	<u>2,850</u>		<u>20.7%</u>	<u>1,595</u>		<u>11.6%</u>

(1) Source: ReferenceUSA.org

## **Operating Information**

Operating information is intended to provide contextual information about the Charter School's operations and resources to assist readers in using financial statement information to understand and assess the Charter School's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the Charter School's operations.



**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
 Unaudited

<u>Function/Program</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Instruction	32.0	24.0	20.0	16.0	18.0	25.0	30.0	20.0	18.0	15.0
Administration	5.0	5.0	5.0	5.0	3.0	3.0	4.0	3.5	3.5	
Support Services	3.0	3.0	6.0	3.0	3.5	5.0	6.0	6.5	5.3	4.8
<b>Total</b>	<b>40.0</b>	<b>32.0</b>	<b>31.0</b>	<b>24.0</b>	<b>24.5</b>	<b>33.0</b>	<b>40.0</b>	<b>30.0</b>	<b>26.8</b>	<b>19.8</b>

Source: Charter School Personnel Records

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Operating Statistics  
 Last Ten Fiscal Years  
 Unaudited

<u>Fiscal Year Ended June 30. (4)</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Pupil/Teacher Ratio Elementary (K-8)</u>	<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2023	288	\$ 4,807,337.25	\$ 16,692.14	26.40%	32	12 : 1	288.2	277.1	0.8%	96.1%
2022	286	3,776,810.71	13,205.63	-8.66%	24	12 : 1	285.9	257.6	18.6%	90.1%
2021	241	3,484,200.00	14,457.26	8.68%	20	11 : 1	241.1	225.5	6.1%	93.5%
2020	227	3,019,591.63	13,302.17	-15.04%	16	14 : 1	227.3	216.6	11.9%	95.3%
2019	203	3,178,483.30	15,657.55	29.72%	18	11 : 1	203.1	189.6	-25.8%	93.3%
2018	274	3,307,330.82	12,070.55	2.62%	25	11 : 1	273.8	256.7	-10.2%	93.8%
2017	305	3,587,691.50	11,762.92	3.79%	30	10 : 1	305.0	288.8	22.7%	94.7%
2016	249	2,821,980.86	11,333.26	-4.45%	20	13 : 1	248.7	236.4	14.9%	95.1%
2015	216	2,561,864.89	11,860.49	13.64%	18	12 : 1	216.5	198.2	20.5%	91.6%
2014	195	2,035,221.96	10,437.04	-4.47%	15	12 : 1	179.7	168.0	34.1%	93.5%

**Sources:** Charter School Records

**Note:** Enrollment based on End of Year enrollment count.

(1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4

(2) Teaching staff includes only full-time equivalents of certificated staff.

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

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 School Building Information  
 Last Ten Fiscal Years  
 Unaudited

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>District Building</b>										
<b>All Grades</b>										
Millville Public Charter School (2017)										
Square Feet	66,566	66,566	66,566	66,566	66,566	66,566	66,566	N/A	N/A	N/A
Capacity (students)	475	475	475	475	475	475	475	N/A	N/A	N/A
Enrollment	288	286	241	227	203	274	305	N/A	N/A	N/A

Number of Schools at June 30, 2023  
 All grades = 1

**Source:** District records

Note: Fiscal year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions (if any). Enrollment is based as of the end of the fiscal year.

## MILLVILLE PUBLIC CHARTER SCHOOL

Insurance Schedule

June 30, 2023

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>Policy Level Information</u>		
Property - Blanket Building & Personal Property		
Limit of Liability		
Per Occurrence	\$ 500,000,000	\$ 2,500
Boiler and Machinery		
Limit of Liability		
Per Occurrence	100,000,000	2,500
Cyber		
Limit of Liability		
Per Occurrence	500,000	50,000
Annual Aggregate	2,000,000	
Crime - Blanket Employee Dishonesty		
Limit of Liability		
Per Loss	500,000	1,000
Comprehensive General Liability & Automobile Liability		
Limit of Liability		
Per Occurrence	5,000,000	
Workers Compensation		
Limit of Liability		
Employers Liability (per occurrence / aggregate)	5,000,000	
Annual Aggregate	5,000,000	
Each Accident	100,000	
Disease Policy Limit	100,000	
Disease Each Employee	100,000	
Sexual Abuse & Molestation		
Limit of Liability		
Per Incident	5,000,000	
Annual Aggregate	5,000,000	
Environmental Impairment		
Limit of Liability		
Per Incident	1,000,000	10,000
Annual Aggregate	25,000,000	
Employee Benefits		
Limit of Liability		
Each Accident	5,000,000	
School Leaders Professional Liability		
Limit of Liability		
Aggregate/ Per Occurrence	5,000,000	5,000
Per Claim/ Per member	5,000,000	5,000
Annual Aggregate/ Per member	5,000,000	5,000
Excess Liability		
Limit of Liability		
Per Person/ Per Claim	15,000,000	
Annual Aggregate	5,000,000	
Source: District Records		
Board Secretary / Business Administrator	130,000	
Treasurer	130,000	

Source: District Records

**Charter School  
Performance Framework –  
Financial Indicators**

The New Jersey Department of Education (NJDOE) developed the comprehensive Performance Framework to ensure that each and every NJ charter school is serving students with a high-quality public education. The Performance Framework – Financial Indicators set the fiscal standards by which all NJ public charter schools will be evaluated, informing both NJDOE and individual school officials about school performance and sustainability. By utilizing the Performance Framework throughout the charter school's life cycle, NJDOE officials will expand the rigorous standards and metrics by which each and every public charter school is evaluated. Please refer to the following exhibit for the Charter School's Performance Framework Financial Indicators.

**MILLVILLE PUBLIC CHARTER SCHOOL**  
Charter School Performance Framework  
Financial Indicators - Fiscal Ratios  
Unaudited

	2021 Audit	2022 Audit	2023 Audit	Source
Cash	\$ 1,170,688.08	\$ 2,032,306.19	\$ 2,626,720.96	Audit: Exhibit A-1
Current Assets (include cash)	1,321,694.84	2,223,901.84	2,839,374.65	Audit: Exhibit A-1
Current Liabilities	451,863.30	303,236.46	421,277.81	Audit: Exhibit A-1
Total Expenses	2,749,144.68	2,605,566.88	3,300,814.02	Audit: Exhibit A-2
Change in Net Position	97,450.85	961,548.27	317,776.90	Audit: Exhibit A-2
Final Average Daily Enrollment	241	286	288	DOE Final Enrollment Report
March 30 Budgeted Enrollment	265	260	270	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Non-Cash Pension Expense (1)	86,062.00	(28,477.00)	(20,985.00)	Auditor/Workpapers
Depreciation Expense	208,098.61	211,198.61	209,587.23	Auditor/Workpapers
Interest Expense	361,661.40	361,661.40	426,538.40	Auditor/Workpapers
Principal Payments	5,323.32	5,323.32	1,330.72	Auditor/Workpapers
Interest Payments	361,661.40	361,661.40	426,538.40	Auditor/Workpapers

Performance Indicators		2021	2022	2023	3 YR CUM	Calculation****	Target****
<b>Near Term Indicators</b>							
1a.	Current Ratio (working capital ratio)	2.92	7.33	6.74	/	Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b.	Unrestricted days cash on hand	155.4	284.7	290.5	/	Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c.	Enrollment Variance	91%	110%	107%	103%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.**	Default on loans or delinquent in debt payments	NO	NO	NO	/	Auditor	not in default
<b>Sustainability Indicators</b>							
2a***	3 Year Cumulative Cash Flow	141,396.20	861,618.11	594,414.77	532,476.36	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b	Debt Service Coverage Ratio	2.08	4.10	2.18	/	N/A or (Change in Net Position + depreciation + interest expense + non-cash pension expense) / (principal + interest payments)	>1.10

\* For renaissance schools: use Oct 15 count if no final count; use head count if ADE not available  
 \*\* Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No  
 \*\*\* 2023 = 2023 Cash - 2022 Cash; 2022 = 2022 Cash - 2021 Cash; 2021 = 2021 Cash - 2020 Cash  
 \*\*\*\* Refer to NJ Performance Framework

(1) Beginning in 2015 the non-cash pension expense resulting from the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting* and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68 has been included in the ratio calculation for purposes of determining operating expenses.

**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 AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Trustees  
Millville Public Charter School  
Millville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the blended component unit, and each major fund of the Millville Public Charter School, in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2023, 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 February 22, 2024.

**Report on Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit 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 Millville Public Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and which is described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as Finding No. 2023-001.

## The Millville Public Charter School's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the Charter School's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The Charter School's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Public School Accountant No. CS 01191

Voorhees, New Jersey  
February 22, 2024

**Exhibit K-2**

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Trustees  
Millville Public Charter School  
Millville, New Jersey 08332

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

***Opinion on Each Major Federal and State Program***

We have audited the Millville Public Charter School's, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the Charter School's major federal and state programs for the fiscal year ended June 30, 2023. The Charter School's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Millville Public Charter School's, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

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

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

We are required to be independent of the Charter School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. 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 Charter School's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Charter School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Office of School Finance, Department of Education, State of New Jersey; Uniform Guidance; and State of New Jersey Circular 15-08-OMB, 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 judgement made by a reasonable user of the report on compliance about the Charter School's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, we:

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

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

**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 and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and 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 and 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 and State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Public School Accountant No. CS 01191

Voorhees, New Jersey  
February 22, 2024

MILLVILLE PUBLIC CHARTER SCHOOL  
Schedule of Expenditures of Federal Awards, Schedule A  
For the Fiscal Year Ended June 30, 2023

Federal Grant/ Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass-Thru Entity ID Number	Program or Award Amount	Grant Period		Balance June 30, 2022	Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures			Passed Through to Subrecipients	Adjust- ments	Repayment of Prior Years' Balances	Balance June 30, 2023		Due to Grantor at June 30, 2023	
						From	To				Pass- Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue		
<b>Special Revenue Fund:</b>																				
U.S. Department of Education																				
Passed-through by Cumberland County Charter School Network:																				
Charter Expansion Grant																				
	84.282E		U282E180007	Unavailable	\$ 176,000.00	10/1/2022	9/30/2023			\$ 176,000.00	\$ (176,000.00)	\$ (176,000.00)								
Total Charter Expansion Grant																				
					-			-	-	176,000.00	(176,000.00)	(176,000.00)	-	-	-	-	-	-	-	
Passed-through State Department of Education:																				
E.S.S.A.:																				
Title I Grants to Local Educational Agencies - SIA, Part A																				
	84.010		S010A210030	NCLB060922	27,500.00	7/1/2021	9/30/2022	(6,659.00)		8,659.00										
Title I Grants to Local Educational Agencies - SIA, Part A																				
	84.010		S010A220030	NCLB060923	46,100.00	7/1/2022	9/30/2023	-		43,200.00	(46,100.00)	(46,100.00)								\$ (2,900.00)
Title I Grants to Local Educational Agencies																				
	84.010		S010A210030	NCLB060922	101,269.00	7/1/2021	9/30/2022	(6,500.00)		6,500.00										
Title I Grants to Local Educational Agencies																				
	84.010		S010A220030	NCLB060923	110,845.00	7/1/2022	9/30/2023			105,470.00	(110,845.00)	(110,845.00)								(5,375.00)
Total Title I Grants to Local Educational Agencies																				
								(15,159.00)	-	163,829.00	(156,945.00)	(156,945.00)	-	-	-	-	-	-	-	(6,275.00)
Supporting Effective Instruction State Grants (Title II)																				
	84.367		S367A210029	NCLB060922	12,683.00	7/1/2021	9/30/2022													
Supporting Effective Instruction State Grants (Title II)																				
	84.367		S367A220029	NCLB060923	13,997.00	7/1/2022	9/30/2023			10,098.00	(13,997.00)	(13,997.00)								(3,899.00)
Total Supporting Effective Instruction State Grants (Title II)																				
								-	-	10,098.00	(13,997.00)	(13,997.00)	-	-	-	-	-	-	-	(3,899.00)
Student Support and Academic Enrichment (Title IV)																				
	84.424		S424A220031	NCLB060923	10,000.00	7/1/2022	9/30/2023					(10,000.00)								(10,000.00)
Total Student Support and Academic Enrichment (Title IV)																				
								-	-	-	(10,000.00)	(10,000.00)	-	-	-	-	-	-	-	(10,000.00)
Total E.S.S.A.																				
								(15,159.00)	-	173,927.00	(180,942.00)	(180,942.00)	-	-	-	-	-	-	-	(22,174.00)
Individuals with Disabilities Education Act (IDEA)																				
Special Education Cluster (IDEA):																				
Special Education - Grants to States (IDEA, Part B)																				
	84.027		H027A220030	IDEA606923	56,191.00	7/1/2022	9/30/2023			56,191.00	(56,191.00)	(56,191.00)								
Special Education - Grants to States - ARP IDEA Basic																				
	84.027X	COVID-19	H027A210030	IDEA606922	2,132.00	7/1/2021	9/30/2022	(2,132.00)		2,132.00										
Total Special Education Grants to States (IDEA, Part B)																				
								(2,132.00)	-	58,323.00	(56,191.00)	(56,191.00)	-	-	-	-	-	-	-	-
Special Education - Preschool Grants																				
	84.173		H173A210030	IDEA606922	1,490.00	7/1/2021	9/30/2022	(1,490.00)		1,490.00										
Special Education - Preschool Grants																				
	84.173		H173A220030	IDEA606923	1,896.00	7/1/2022	9/30/2023			1,896.00	(1,896.00)	(1,896.00)								
Special Education - Grants to States - ARP IDEA Pre-K																				
	84.173X	COVID-19	H173A210030	IDEA606922	1,078.00	7/1/2021	9/30/2022	(1,078.00)		1,078.00										
Total Special Education Preschool Grants																				
								(2,568.00)	-	4,464.00	(1,896.00)	(1,896.00)	-	-	-	-	-	-	-	-
Total Special Education Cluster (IDEA)																				
								(4,700.00)	-	62,787.00	(58,087.00)	(58,087.00)	-	-	-	-	-	-	-	-
Elementary and Secondary School Emergency Relief Fund																				
COVID-19:																				
ESSER II																				
	84.425	84.425D	S425D210027	Unavailable	343,948.00	3/13/2020	9/30/2023	(71,907.71)		155.00	(7,231.29)	(7,231.29)								(78,984.00)
ESSER II - Learning Acceleration																				
	84.425	84.425D	S425D210027	Unavailable	25,000.00	3/13/2020	9/30/2023	(4,390.50)		326.00	(1,115.50)	(1,115.50)								(5,180.00)
ESSER II - Mental Health																				
	84.425	84.425D	S425D210027	Unavailable	45,000.00	3/13/2020	9/30/2023	(8,487.50)		3,488.00	(6,897.50)	(6,897.50)								(11,887.00)
ESSER III																				
	84.425	84.425X	S425D210027	Unavailable	773,001.00	3/13/2020	9/30/2024			467,917.00	(520,754.95)	(520,754.95)								(52,837.95)
ESSER III - Learning Support																				
	84.425	84.425X	S425D210027	Unavailable	50,000.00	3/13/2020	9/30/2024			31,742.00	(48,852.68)	(48,852.68)								(17,110.68)
ESSER III - Summer Learning																				
	84.425	84.425X	S425D210027	Unavailable	40,000.00	3/13/2020	9/30/2024			11,092.00	(20,125.00)	(20,125.00)								(9,033.00)
ESSER III - Beyond the School Day																				
	84.425	84.425X	S425D210027	Unavailable	40,000.00	3/13/2020	9/30/2024			8,026.00	(20,503.61)	(20,503.61)								(12,477.61)
ESSER III - Mental Health																				
	84.425	84.425X	S425D210027	Unavailable	45,000.00	3/13/2020	9/30/2024			37,157.00	(45,000.00)	(45,000.00)								(7,843.00)
Total Elementary and Secondary School Emergency Relief Fund																				
								(84,785.71)	-	559,903.00	(670,480.53)	(670,480.53)	-	-	-	-	-	-	-	(195,363.24)
Total U.S. Department of Education																				
								(104,644.71)	-	972,617.00	(1,085,509.53)	(1,085,509.53)	-	-	-	-	-	-	-	(217,537.24)
Total Special Revenue Fund																				
								(104,644.71)	-	972,617.00	(1,085,509.53)	(1,085,509.53)	-	-	-	-	-	-	-	(217,537.24)
Enterprise Fund:																				
U.S. Department of Agriculture																				
Passed-through State Department of Agriculture:																				
Child Nutrition Cluster:																				
National School Lunch Program																				
	10.555		221NJ304N1099	Unavailable	547,441.20	7/1/2021	6/30/2022	(33,721.44)		33,721.44										
National School Lunch Program																				
	10.555		231NJ304N1099	Unavailable	511,664.34	7/1/2022	6/30/2023			473,954.16	(511,664.34)	(511,664.34)								(37,710.18)
National School Lunch Program - Commodities (Noncash)																				
	10.555		221NJ304N1099	Unavailable	78,507.66	7/1/2021	6/30/2022			78,507.66	(78,507.66)	(78,507.66)								
Total National School Lunch Program (NSLP)																				
								(33,721.44)	-	586,183.26	(590,172.00)	(590,172.00)	-	-	-	-	-	-	-	(37,710.18)
Summer Food Service Program for Children (SFSPC)																				
	10.559	COVID-19	221NJ304N1099	Unavailable	639,470.12	7/1/2020	6/30/2021													
Summer Food Service Program for Children (SFSPC)																				
	10.559	COVID-19	231NJ304N1099	Unavailable	9,478.20	7/1/2022	6/30/2023			9,478.20	(9,478.20)	(9,478.20)								
Total Summer Food Service Program for Children (SFSPC)																				
								-	-	9,478.20	(9,478.20)	(9,478.20)	-	-	-	-	-	-	-	-
School Breakfast Program																				
	10.553		221NJ304N1099	Unavailable	249,831.70	7/1/2021	6/30/2022	(14,561.95)		14,561.95										
School Breakfast Program																				
	10.553		231NJ304N1099	Unavailable	213,235.39	7/1/2022	6/30/2023			197,033.86	(213,235.39)	(213,235.39)								(16,201.53)
Total School Breakfast Program (SBP)																				
								(14,561.95)	-	211,595.81	(213,235.39)	(213,235.39)	-	-	-	-	-	-	-	(16,201.53)
Total Child Nutrition Cluster																				
								(48,283.39)	-	807,257.27	(812,885.59)	(812,885.59)	-	-	-	-	-	-	-	(53,911.71)
Total Enterprise Fund																				
								(48,283.39)	-	807,257.27	(812,885.59)	(812,885.59)	-	-	-	-	-	-	-	(53,911.71)
Total Federal Financial Assistance																				
								\$ (152,928.10)	-	\$ 1,779,874.27	\$ (1,898,395.12)	\$ (1,898,395.12)	-	-	\$ -	-	-	-	-	\$ (271,448.95)

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

**MILLVILLE PUBLIC CHARTER SCHOOL**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Fiscal Year Ended June 30, 2023

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022		Cash Received	Total Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2023			Memo			
			From	To	Unearned Revenue / (Accounts Receivable	Carryover / (Walkover) Amount						(Accounts Receivable)	Unearned Revenue	Due to Grantor at 6/30/2023	Budgetary Receivable 6/30/2023	Cumulative Total Expenditures		
General Fund:																		
New Jersey Department of Education:																		
Current Expense:																		
Charter School Aid (State Aid - Public):																		
Equalization Aid	495-034-5120-078	\$ 3,062,366.00	7/1/2022	6/30/2023	\$ 232,730.40		\$ 3,203,233.60	\$ (3,062,366.00)							\$ 373,598.00	\$ 3,062,366.00		
Adjustment Aid	495-034-5120-071	189,406.00	7/1/2022	6/30/2023			189,406.00	(189,406.00)								189,406.00		
Special Education Aid	495-034-5120-089	97,674.00	7/1/2022	6/30/2023			97,674.00	(97,674.00)								97,674.00		
Security Aid	495-034-5120-084	67,415.00	7/1/2022	6/30/2023			67,415.00	(67,415.00)								67,415.00		
Total Charter School Aid (State Aid - Public)						232,730.40	-	3,557,728.60	(3,416,861.00)	-	-	-	-	-	373,598.00	-	3,416,861.00	
Reimbursed TPAF Social Security Contributions	495-034-5094-003	87,796.28	7/1/2021	6/30/2022	(4,290.92)		4,290.92									87,796.28		
Reimbursed TPAF Social Security Contributions	495-034-5094-003	110,665.79	7/1/2022	6/30/2023			98,949.72	(110,665.79)				\$ (11,716.07)				110,665.79		
Total Reimbursed TPAF Social Security Contributions						(4,290.92)	-	103,240.64	(110,665.79)	-	-	-	(11,716.07)	-	-	-	198,462.07	
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-002	422,146.00	7/1/2022	6/30/2023			422,146.00	(422,146.00)								422,146.00		
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical	495-034-5094-001	110,897.00	7/1/2022	6/30/2023			110,897.00	(110,897.00)								110,897.00		
On-Behalf Teachers' Pension and Annuity Fund - Non-contributory Insurance	495-034-5094-004	447.00	7/1/2022	6/30/2023			447.00	(447.00)								447.00		
Total On-Behalf TPAF Pension Contributions (non-budgeted)						-	-	533,490.00	(533,490.00)	-	-	-	-	-	-	-	533,490.00	
Total General Fund						228,439.48	-	4,194,459.24	(4,061,016.79)	-	-	-	(11,716.07)	-	373,598.00	-	4,148,813.07	
Special Revenue Fund:																		
Securing Our Children's Future Bond Act School Security Grant	SS05-H-53	20,000.00	7/1/2020	6/30/2022	(19,672.00)		20,000.00	(328.00)									20,000.00	
Total Special Revenue Fund						(19,672.00)	-	20,000.00	(328.00)	-	-	-	-	-	-	-	20,000.00	
Enterprise Fund:																		
New Jersey Department of Agriculture:																		
National School Breakfast and Lunch Program (State Share)	100-010-3350-023	12,900.97	7/1/2021	6/30/2022	(776.06)		776.06										12,900.97	
National School Breakfast and Lunch Program (State Share)	100-010-3350-023	23,326.94	7/1/2022	6/30/2023			21,579.29	(23,326.94)				(1,747.65)				23,326.94		
Total Enterprise Fund						(776.06)	-	22,355.35	(23,326.94)	-	-	-	(1,747.65)	-	-	-	36,227.91	
Total State Financial Assistance						\$ 207,991.42	-	\$ 4,236,814.59	(4,084,671.73)	-	-	-	\$ (13,463.72)	-	\$ 373,598.00	-	\$ 4,205,040.98	
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:																		
General Fund (Non-Cash Assistance):																		
New Jersey Department of the Treasury:																		
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-002	422,146.00	7/1/2022	6/30/2023				(422,146.00)										
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical	495-034-5094-001	110,897.00	7/1/2022	6/30/2023				(110,897.00)										
On-Behalf Teachers' Pension and Annuity Fund - Non-contributory Insurance	495-034-5094-004	447.00	7/1/2022	6/30/2023				(447.00)										
Total State Financial Assistance subject to Major Program Determination for State Single Audit									\$ (3,551,181.73)									

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

**MILLVILLE PUBLIC CHARTER SCHOOL**

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2023

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**Note 1: BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Millville Public Charter School (hereafter referred to as the “Charter School”). The Charter School is defined in note 1 to the Charter School’s basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the Charter School, it is not intended to and does not present the financial position and changes in operations of the Charter School.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedules are presented using the modified accrual basis for the general fund, the budgetary basis of accounting for the special revenue fund, programs recorded in the enterprise funds are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the Charter School’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The expenditures reflected in the schedules are presented at the federal and state participation level; thus, any matching portion is not included.

**Note 3: INDIRECT COST RATE**

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

**Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

**Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$29,807.49 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

The revenues reported on a GAAP basis from the basic financial statements with a reconciliation to the reported amounts on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General		\$ 4,061,016.79	\$ 4,061,016.79
Special Revenue	\$ 1,036,744.04	19,286.00	1,056,030.04
Food Service	812,885.59	23,326.94	836,212.53
GAAP Basis Revenues	1,849,629.63	4,103,629.73	5,953,259.36
GAAP Adjustments:			
Encumbrances	48,765.49	(18,958.00)	29,807.49
Total Awards and Financial Assistance Expended	\$ 1,898,395.12	\$ 4,084,671.73	\$ 5,983,066.85

**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: REIMBURSED AND ON-BEHALF PAYMENTS**

During the fiscal year ended June 30, 2023, the Charter School was the recipient of federal and state assistance that represented either a reimbursement to the Charter School or payments made on-behalf of the Charter School. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the Charter School's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the Charter School has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

**Note 7: MAJOR PROGRAMS**

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.



MILLVILLE PUBLIC CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified
Internal control over financial reporting:
Material weakness(es) identified? \_\_\_ yes \_\_\_ X no
Significant deficiency(ies) identified? \_\_\_ yes \_\_\_ X none reported
Noncompliance material to financial statements noted? \_\_\_ X yes \_\_\_ no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? \_\_\_ yes \_\_\_ X no
Significant deficiency(ies) identified? \_\_\_ yes \_\_\_ X none reported
Type of auditor's report issued on compliance for major programs Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? \_\_\_ yes \_\_\_ X no

Identification of major programs:

Table with 3 columns: Assistance Listing Number(s), FAIN Number(s), Name of Federal Program or Cluster. Row 1: 84.425, S425D210027, Elementary and Secondary School Emergency Relief Fund.

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? \_\_\_ X yes \_\_\_ no



**MILLVILLE PUBLIC CHARTER SCHOOL**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2023

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***Section 2- Schedule of Financial Statement Findings***

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

**Finding No. 2023-001**

**Criteria or Specific Requirement**

A Food Service Fund's Net Cash Resources should not exceed its three-months average expenditures.

**Condition**

The Charter School's Food Service Fund Net Cash Resources exceeded its three-months average expenditures by \$323,337.90.

**Questioned Costs**

None.

**Context**

Per the calculation of the Food Service Fund's Net Cash Resources, Net Cash Resources at June 30, 2023 were \$539,661.09 and its three-month average expenditures were \$216,323.19, resulting in an average of \$323,337.90.

**Effect or Potential Effect**

Noncompliance with the requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey Audit Program.

**Cause**

The Charter School's revenues generated from food service operations exceeded the expenditures required to operate the food service program.

**Identification as a Repeat Finding**

This finding is a repeat of finding 2022-001.

**Recommendation**

That the Charter School develop a plan to reduce the Food Service Fund's Net Cash Resources below its three-month average expenditures.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**MILLVILLE PUBLIC CHARTER SCHOOL**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2023

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

None.

**MILLVILLE PUBLIC CHARTER SCHOOL**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2023

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***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

**MILLVILLE PUBLIC CHARTER SCHOOL**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

**Finding No. 2022-001**

**Program**

Child Nutrition Cluster (Federal Assistance Listing Number – 10.553, 10.555 & 10.559)

**Condition**

The Charter School's Food Service Fund Net Cash Resources exceeded its three-months average expenditures by \$164,820.32.

**Current Status**

See Finding No. 2023-001.

**Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None.

