

MARIA L. VARISCO-ROGERS CHARTER SCHOOL

**Board of Trustees
MARIA L. VARISCO-ROGERS CHARTER SCHOOL
Newark, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

**Annual Comprehensive
Financial Report**

of the

MARIA L. VARISCO-ROGERS CHARTER SCHOOL

Newark, New Jersey

For the Fiscal Year Ended June 30, 2023

**Prepared by
MARIA L. VARISCO-ROGERS CHARTER SCHOOL
Finance Department**

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INTRODUCTORY SECTION
(UNAUDITED)

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
233 WOODSIDE AVENUE, NEWARK,
NEW JERSEY 07104 973-481-9001

November 8, 2023

Honorable Chairperson and Members of the
Board of Trustees
Maria L. Varisco-Rogers Charter School
County of Essex
Newark, New Jersey 07104

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of Maria L. Varisco-Rogers Charter School (Charter School) 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 respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the various funds of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES

Maria L. Varisco-Rogers Charter School was originally granted a charter by the Commissioner of the New Jersey Department of Education on September 9, 1999. At that time, the school opened its doors to its first 32 students which consisted of 16 students in the sixth grade and 16 students in the seventh grade. Over the past twenty-two years the school has continued to grow in student and staff population, facilities and equipment, services offered, and in grades serviced. The 2022-2023 academic year opened with 570 students from Kindergarten to eighth grade. Maria L. Varisco-Rogers Charter School ended the 2022-2023 school year with an enrollment of 585 students. The goal for the 2023-2024 academic year will be to maintain 573 students enrolled from Kindergarten to eighth grade.

2) MAJOR INITIATIVES

A. PERSONNEL MANAGEMENT:

During the 2022-2023 school year, administration continued to use the same protocol as last year to ensure that all candidates applying for a position within the school which required appropriate credentials and certification were properly credentialed and certified. For the 2022-2023 school year, the school was able to maintain full-time employment of its current staff. Amongst our administration staff, the school promoted the Director of Mathematics to Principal Grades 5-8. The school also hired one new administrator, Assistant Lead Person of Curriculum and Instruction.

The school remained successful in maintaining its facilities located at 18 Heller Parkway and 243 Woodside Avenue, and its administration buildings located at 233 Woodside Avenue and 381 Woodside Avenue, all in Newark, NJ. The school continued to use the space at building 233 Woodside Avenue to utilize the Science and Mac Computer Laboratory, as well as additional space for administration.

B. EDUCATIONAL PROGRAM:

The mission statement of the Maria L. Varisco-Rogers Charter School (MLVR) is to: “Improve the educational achievement of all pupils based on the belief that all our children can learn.” It is our belief that we must empower all learners to contribute to our ever-diverse world while empowering them to reach their full potential. We have built upon our tradition of excellence by supporting our students in the following ways:

- Understanding that all students have diverse approaches to learning and needs and that all students need to be appropriately challenged to maximize their full potential.
- Recognizing that in order to educate the whole child we must address not only their academic but also their social-emotional needs by establishing programs focused on mental health, social skills development, and emotional well-being in order to foster a positive and supportive school environment.
- Offering support services such as small group and individual counseling in order to assist students in overcoming challenges and reaching their maximum potential.
- Providing opportunities for students to engage in activities, advanced coursework, and specialized programs to nurture their talents and interests beyond the standard curriculum.

The Maria L. Varisco-Rogers Charter School’s educational program spans Kindergarten through Eighth grade with 562 students. These students have an opportunity to participate in a variety of programs which include, but are not limited to, the following:

- Enrichment: Literacy
- Enrichment: Math
- Bilingual Kindergarten
- English as a Second Language
- Special Education
- STEM Program
- SEL Program
- Empowerment Fridays (Grades 7-8)

2) MAJOR INITIATIVES (CONT'D)

B. EDUCATIONAL PROGRAM: (Cont'd)

During the 2022 – 2023 school year, MLVR has continued to undertake a rigorous and comprehensive school improvement process aimed at enhancing the academic achievements of all our students. We have recognized that the key to the success of all of our students is the continued usage of research-based instructional practices. Aligned with the New Jersey Student Learning Standards (NJSLS) and contemporary pedagogical approaches, our efforts have been dedicated to a comprehensive overhaul of our educational program. These initiatives, spanning curriculum and technology integration have been strategically implemented to elevate student outcomes and provide enriched learning experiences. A meticulous review and refinement of our curriculum, pacing guides, and sequential learning plans were conducted across various disciplines.

MLVR has undertaken a number of major curriculum initiatives focused on student growth and learning. These initiatives range in scope and focus based upon demonstrated student need, grade level expectations, and developmental appropriateness. Major initiatives have been implemented in the areas of curriculum, technology, and facilities in our efforts to improve student outcomes and provide our students with exemplary learning environments and opportunities. Our faculty has been integral in this process, actively participating in curriculum reviews and revisions alongside the Administrative Team. This collaborative endeavor aimed to harmonize our curricula horizontally and vertically across grade levels, adapting dynamically to the evolving educational landscape throughout the school year. We have maintained our unwavering commitment to not only catering to academic needs but also prioritizing character education and socio-emotional well-being among our students. This in turn has led to both a horizontally and vertically aligned curricula across our grade spans and has continued to evolve throughout the school year. We have been, and remain to be, committed to addressing not only the academic needs of our learners, but also emphasizing character education/respectfulness while addressing the socio-emotional needs of our students.

Throughout this period, our focus extended to the following key aspects:

- Revising existing curriculum to align with remote and in-person instructional best practices, ensuring accessibility across diverse learning modalities and catering to various age groups to support parents in facilitating their child's education.
- Development and implementation of a multi-tiered support system, focusing on classroom dynamics and fostering social and emotional learning for all learners.
- Focusing on the depth of instruction, rather than the pace of high-quality instruction in order to prioritize content and student learning.
- Identifying and addressing learning gaps in order to support all learners through a lens of equity.

The Maria L. Varisco-Rogers Charter School has actively engaged in continuous dialogue with its staff, fostering meaningful and ongoing professional development opportunities throughout the academic year. Our commitment to enhancing the quality of education includes an increased investment in exceptional educators, guided by data assessments of our students' needs and recommendations provided by the NJ Department of Education during our 5-year renewal. All professional development endeavors aim to bolster our initiatives aimed at bridging the achievement gap between students of color, economically disadvantaged students, and their peers.

2) MAJOR INITIATIVES (CONT'D)

B. EDUCATIONAL PROGRAM: (Cont'd)

The administrative team and teaching staff have participated in subject area meetings, delivering continuous professional development across various focus areas. Collaborative efforts among grade-level or subject area teams have resulted in the creation of bi-weekly lesson plans submitted through Realtime for archiving and feedback purposes. These plans undergo supervisor scrutiny to ensure alignment with content and language objectives, the New Jersey Student Learning Standards, and the curriculum. The rigorous nature of these plans ensures engaging and comprehensive learning experiences for all students.

The school remained dedicated to promoting the integration of instructional technology for teaching and learning purposes. This commitment involved providing all K-8 students with school-issued Chromebooks while ensuring that both teaching staff and administrators received school-issued MacBook Air. Our classrooms were well-equipped with Smartboards and instructional software allowing Chromebooks to access online textbooks, instructional programs, and applications for student use.

A primary focus of the school has consistently been the implementation of Individualized Educational Plans through data-driven instructional methodologies. The administration conducted common formative benchmark assessments for all students, enabling differentiated instruction tailored to meet learners' needs while progressing toward mastery of grade-level standards. Additionally, teachers embedded formative assessment strategies into daily lessons to continually monitor student progress.

At the onset of the school year, teachers in various grades administered Pre-Assessments:

- Kindergarten and first grade teachers conducted teacher-created Pre-Assessments in Reading and Mathematics to gauge each student's proficiency levels.
- Second through eighth grade teachers utilized Study Island for Pre-Assessments in Language Arts and Mathematics, assessing students' proficiency levels.
- Fifth and eighth grade teachers used Study Island for Pre-Assessments in Science, evaluating students' proficiency levels.
- Furthermore, all specialty area teachers administered Pre-Assessments in Art, Music, World Language (Spanish), Technology, Physical Education, and Health to assess the proficiency levels of students in their respective classes.

C. PROFESSIONAL DEVELOPMENT AND SUPPORT:

Throughout the 2022-2023 school year, Maria L. Varisco-Rogers Charter School prioritized comprehensive professional development for all staff, focusing on: evaluation techniques, student growth objectives, differentiation, and curriculum design and development. There was a deliberate emphasis on individualized professional growth, employing instructional coaching to facilitate teachers' advancement within their respective subject areas. Key areas of concentration encompassed differentiation, instructional technology, and peer coaching. The school remained committed to continuous refinement, expansion, and reassessment of its programs, offering extensive opportunities for staff development within and outside the institution to uphold the highest standards of teacher and student performance.

2) MAJOR INITIATIVES (CONT'D)

C. PROFESSIONAL DEVELOPMENT AND SUPPORT: (Cont'd)

Furthermore, the Administrative Team conducted consistent classroom observations, providing ongoing data to aid both collective and individual professional development for all staff members. Monthly half-day sessions allotted 4 hours of professional development for teachers and support staff, and grade-level teams collaborated regularly with administrators to strategize and address concerns about specific students or issues.

Teachers were presented with targeted professional growth prospects, attending Professional Learning Community (PLC) meetings and receiving specialized training sessions. These sessions encompassed various topics such as classroom management in both in-person and remote settings, utilization of diverse technology platforms, and other relevant practices for both instructional models.

All professional development initiatives aimed to elevate classroom rigor and enhance student achievement. To enhance the school's literacy and math programs, the administration equipped teachers with resources and specialized training, including lesson modeling, assessment strategies, small group instruction, centers-based learning, and technology integration. The Assistant Lead for Curriculum and Instruction and Supervisor of Curriculum led professional development geared towards standards-based instruction and integration of the New Jersey Student Learning Standards across the curricula. Additionally, the Director of ESL and Bilingual Education provided continual support, training, and demonstration of Sheltered Instruction strategies. To further familiarize staff with the ESL program, administration organized meetings and professional development sessions focusing on specific aspects of the program, including the ESL teacher's role and testing procedures.

The school continued with its on-going staff development in the area of NJSLA preparation for grades 3-8 in Math and ELA as well as 5th and 8th grade Science. In-house data analysis and sharing during PLCs served as essential tools for growth and development.

D. ASSESSMENT AND STUDENT ACHIEVEMENT:

STATE ASSESSMENTS

Throughout the 2022-2023 academic year, Maria L. Varisco-Rogers Charter School concentrated its efforts on specific areas:

- Conducting common, formative benchmark assessments for all students.
- Implementing differentiated instruction tailored to meet individual learner needs while progressing toward mastery of grade-level standards.

The school staff undertook the responsibility of preparing students for assessments such as the WIDA Access 2.0 and the NJSLA, overseeing the administration of state assessments. Appropriate members of the Administrative Team were available to offer support during testing procedures. Designated test coordinators ensured the proper gathering and handling of testing materials. Additionally, case managers were tasked with maintaining Individualized Education Programs (IEPs) for students with special needs, providing these students with their specific testing accommodations.

2) MAJOR INITIATIVES (CONT'D)

D. ASSESSMENT AND STUDENT ACHIEVEMENT: (Cont'd)

STATE ASSESSMENTS (Cont'd)

WIDA Access 2.0:

- Grade K: 1 out of 20 or 5% of students scored a 4.5 or above
- Grade 1: 1 out of 18 or 5.5% of students scored a 4.5 or above
- Grade 2: 5 out of 24 or 20.8% of students scored a 4.5 or above
- Grade 3: 4 out of 15 or 26.6% of students scored a 4.5 or above
- Grade 4: 4 out of 14 or 28.6% of students scored a 4.5 or above
- Grade 5: 4 out of 11 or 36.4% of students scored a 4.5 or above
- Grade 6: 0 out of 6 or 0% of students scored a 4.5 or above
- Grade 7: 0 out of 7 or 0% of students scored a 4.5 or above
- Grade 8: 0 out of 7 or 0% of students scored a 4.5 or above

The NJSLA 2023 Student Performance is as follows:

Schoolwide:

- ELA: 63% of students Met or Exceeded Expectations
- Math: 22% of students Met or Exceeded Expectations
- Algebra I: 18% of students Met or Exceeded Expectations.

NJSLA ELA Results:

- Third Grade: 63% of students achieved an overall proficiency level of 4 or higher
- Fourth Grade: 64% of students achieved an overall proficiency level of 4 or higher
- Fifth Grade: 59% of students achieved an overall proficiency level of 4 or higher
- Sixth Grade: 53% of students achieved an overall proficiency level of 4 or higher
- Seventh Grade: 62% of students achieved an overall proficiency level of 4 or higher
- Eighth Grade: 75% of students achieved an overall proficiency level of 4 or higher

NJSLA Math Results:

- Third Grade: 29% of students achieved an overall proficiency level of 4 or higher
- Fourth Grade: 16% of students achieved an overall proficiency level of 4 or higher
- Fifth Grade: 19% of students achieved an overall proficiency level of 4 or higher
- Sixth Grade: 19% of students achieved an overall proficiency level of 4 or higher
- Seventh Grade: 21% of students achieved an overall proficiency level of 4 or higher
- Eighth Grade: 11% of students achieved an overall proficiency level of 4 or higher
- Eighth Grade Algebra I: 18% of students achieved an overall proficiency level of 4 or higher

2) MAJOR INITIATIVES (CONT'D)

E. SOCIAL WORK:

The school Social Work Program provided the entire school community with comprehensive service delivery with the goal of maximizing student academic success. Services included:

- Student/Parent Support – individual and/or family counseling with case management and I&RS services which include group dynamics centered on improving emotional and behavioral health, social skills training which targeted the improvement of social skills such as conflict resolution, anger management and problem-solving techniques, in-class student observations, in-class student support, and crisis intervention. These services were offered by two (2) certified school social workers and two social work interns at the MSW level from Montclair State University. Social work interns worked closely with the school case manager in monitoring student process and progress. Their role was key in the continuity of communication between family, school and community service providers.
- School Staff Support – staff orientations included Procedure for Referring Students for Student Assistance and Child Study Services. Staff benefited from social work consultation as needed.
- Child Study Team Services – The school case manager provided services for students with Individualized Education Plans (IEP). In this role the case manager partnered with the special education teacher and regular education teachers to ensure proper implementation of the IEP goals and objectives. Counseling was also provided as recommended.
- An Anti-bullying Specialist and Anti-bullying Coordinator were sent to training, and properly reported/investigated all reported incidents of HIB.
- The social work interns assisted the department with the development of activities for Week of Respect, Red Ribbon Week, Violence and Vandalism Week, School Choice Week and Nutrition Week. Activities promoted the educational theme of each week and included workshops for the parents as well as students.
- High School Visits/Guidance – The social work department chooses representatives from local high schools to come and speak with future 8th grade students. The high schools are chosen based on where our past students have attended. The representatives usually come to our school and give information on how to apply, when their open houses are and how to get their application, however, this school year visits, open house, etc. were conducted virtually.

F. PARENT/COMMUNITY INVOLVEMENT AND PUBLIC RELATIONS/OUTREACH:

Maria L. Varisco-Rogers Charter School recognizes the importance of involving parents in their child's education. It has always been the school's objective to foster that relationship between parents and school. The following activities were utilized in order to accomplish this objective during the 2022-2023 school year:

- First Day of School Welcome Back Event- A welcome back to all students, faculty, staff, and the parents.
- Parent Orientation/Back to School Night
- Student Recruitment Events
- Middle School (Grades 5-8) Student and Parent Meetings
- High School Fairs
- Breast Cancer Awareness
- Anti-bullying Workshops with Essex County Prosecutor
- Marking Period Award Assemblies
- NJ Honor Society Induction Ceremony and Events
- Title I Parent Meeting

The Honorable Chairperson and
Members of the Board of Trustees
Maria L. Varisco-Rogers Charter School
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2) MAJOR INITIATIVES (CONT'D)

F. PARENT/COMMUNITY INVOLVEMENT AND PUBLIC RELATIONS/OUTREACH: (Cont'd)

- Variety of Holiday Festivities
- Monthly Sports Tournaments
- Bilingual/ESL Parent Meetings
- Recognition of Week of Respect, Violence and Vandalism Week, and Red Ribbon Week during October
- Fire Safety presentation from Newark Fire Department
- Newark Police Department presentation on Gang Violence and Awareness
- Thanksgiving and Winter Holiday Food Drive
- NJ Seeds
- NJ LEEP
- Holiday Toy Drive
- School Choice Week
- Autism Awareness Month
- Hispanic Heritage Celebration
- Essex County Parks Photography Contest
- Students2 Science
- Science Olympiad
- Virtual Math Contest (SUMDOG)
- American Scholastic Math Association Contest
- Math Pi-Day
- Poem in your Pocket Day
- Patriotic Celebrations/Recognition Events

Fundraising Efforts:

The Maria L. Varisco-Rogers Charter School participated in the following fundraising events during the 2022-2023 school year:

- Branch Brook Park Skate Party
- Funplex
- Scholastic Book Fair
- Original Works
- Wendy's Night
- Panera
- Miss Chocolate

2) MAJOR INITIATIVES (CONT'D)

G. GRANT(S) ACTIVITIES

The ESSA (Every Student Succeeds Act) Grant was approved for School-wide funding. The Grant was utilized to implement Professional Development workshops and activities such as special parent/student meetings and programs, purchase curriculum materials, and implement an after school program for students in grades K-8.

Individuals with Disabilities Education Act (IDEA) was utilized to serve children with disabilities. The school provided early intervention, special education and related services to students with disabilities.

The school received facilities funding for capital maintenance. This was used to purchase new mats for the gym walls for safety and fix broken exterior doors and locking mechanisms.

The School also received ESSER II and ARP ESSER grants to assist with Covid-19 related expenses such as but not limited to leasing student Chromebooks, hot spots, cleaning supplies, PPE, salaries and educational software that would be needed for remote learning.

H. MAJOR ACCOMPLISHMENTS AND CRITICAL POLICIES :

In the 2022-2023 school year the Board of Trustees gave freely of their time and effort to accomplish the following:

- Underwent Renewal with the State of NJ and received five year (5) Charter Renewal;
- Underwent Collaborative Federal Monitoring of the Federal Grant Programs;
- Complete annual board training;
- Provided Fresh Fruit and Vegetables to the students and staff two (2) days per week through the Nutrition Program;
- Completed the board of trustee's annual ethics filing;
- Selected two parents and two staff member to be part of the Grievance Committee;
- Obtained monthly reports from the administrative team on the progress of the principals and other key administrators, (i.e. Director of BIL/ESL, Assistant to the Lead Person, etc.) at each meeting;
- Completed evaluations of the board's performance and the performance of the Lead Person/Executive Director and School Business Administrator;
- Continued to ensure all students were being appropriately serviced to the best of the school's abilities;
- Reviewed and approved revisions to the school's professional development plan and other handbooks;
- Review and approve amended policies and procedures;
- Approved a new board member from the community; and
- Approved the hiring of the Assistant Lead Person of Curriculum and Instruction to ensure curriculum is current as well as staff members are trained on utilization and implementation.

Board Members: There are currently 13 members of the board, 10 of which are voting members and 1 student member(non-voting) and 2 Ex-Officio administrative members. The members include community representatives, parents, a student member, and professionals. (See Table for list of board members).

3) INTERNAL ACCOUNTING CONTROLS

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

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

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

4) BUDGETARY CONTROLS

In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Trustees. Annual appropriated budgets are adopted for the General and Special Revenue Funds. The final budget amount as amended for the period is reflected in the financial section.

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

5) ACCOUNTING SYSTEM AND REPORTS

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

6) CASH MANAGEMENT:

The investment policy of the school was guided in large part by state statute as detailed in "Notes to Financial Statements", Note 3. The school has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. 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.

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7) RISK MANAGEMENT:

The school carries adequate amounts and types of insurance coverage for all aspects of the school's operation. This coverage is also used to protect and defend personnel, board members, and students against reasonable claims due to adverse events for which the school is liable. The coverage includes, but is not limited to, general liability, property, hazard and theft, automotive, worker's compensation, and student accident.

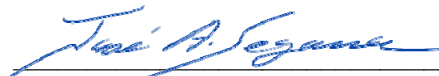
8) OTHER INFORMATION

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

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

9) ACKNOWLEDGMENTS

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

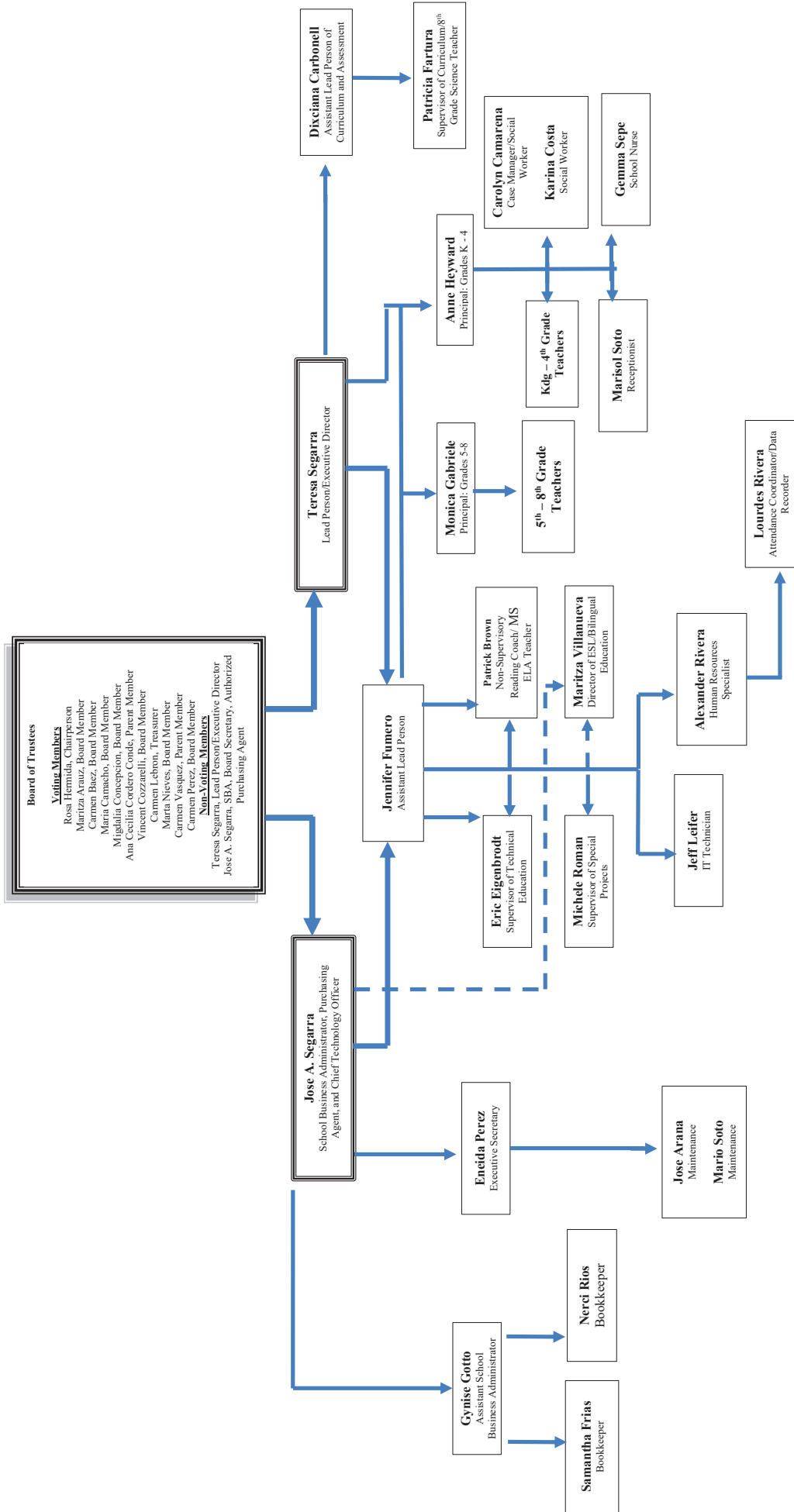


Jose A. Segarra /Business Administrator

Maria L. Varisco-Rogers's Charter School
 Providing new alternatives for a better education

Newark, NJ 07104
 Tel: (973) 481-9001 Fax: (973) 481-9009
 E-mail: Office@mivrcs.org
 Website: <http://www.mivrcs.org>

**Maria L. Varisco-Rogers Charter School
 2022-2023 Organizational Chart**



MARIA L. VARISCO-ROGERS CHARTER SCHOOL
ROSTER OF OFFICIALS
JUNE 30, 2023

<u>Board of Trustees</u>	<u>Position</u>	<u>Expiration of Term</u>
Carmen Baez	Chairperson	August 2023
Maria Camacho	Board Member	August 2023
Daisy Herrera	Board Member	August 2023
Migdalia Concepcion	Board Member	August 2023
Maritza Arauz	Board Member	August 2023
Juan Paez	Board Member	August 2023
Carmen Perez	Board Member	August 2023
Marta Nieves	Board Member	August 2023
Vincent Cozzarelli	Board Member	August 2023
Ana Cecilia Cordero Conde	Parent Member	August 2023
Carmen Lebron	Board Treasurer	August 2023
<u>Other Officials</u>	<u>Title</u>	
Teresa Segarra	Lead Person / Executive Director	
Jose A. Segarra	Business Administrator/Board Secretary	

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
CONSULTANTS AND ADVISORS
JUNE 30, 2023

Audit Firm

Nisivoccia LLP
200 Valley Road, Suite 300
Mount Arlington, NJ, 07856
and
Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860
and
1140 Route 22 East, Suite 203
Bridgewater, NJ 08807

Attorney

Adams Gutierrez & Lattiboudere
1037 Raymond Boulevard, Suite 900
Newark, NJ 07102

Official Depository

PNC Bank
233 Woodside Avenue
Newark, NJ 07104-3113

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Trustees
Maria L. Varisco-Rogers Charter School
County of Essex, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Maria L. Varisco-Roger Charter School (the “District”), in the County of Essex, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’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, each major fund and the aggregate remaining fund information of the District, 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 (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the “Office”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District 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 District’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are 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 District’s basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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


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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2023 on our consideration of the District'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 District'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 District’s internal control over financial reporting and compliance.

November 8, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This section of Maria L. Varisco-Rogers Charter School’s annual financial report presents its discussion and analysis of the Charter School’s financial performance during the fiscal year ending June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the Charter School’s financial statements, which immediately follow this section.

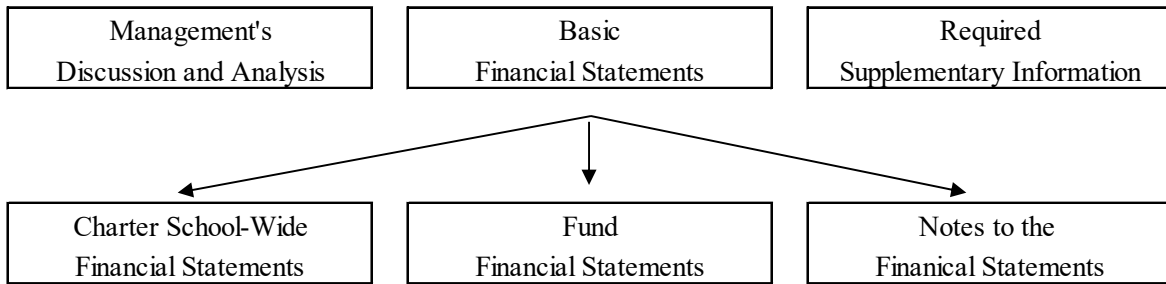
Overview of the Financial Statements

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

- The first two statements are *Charter School-wide financial statements* that provide both *short-term* and *long-term* information about the Charter School’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the Charter School, reporting the School’s operations in *more* detail than the Charter School-Wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- The *proprietary funds statements* offer short- and long-term financial information about the activities the School operates like a business, such as food services and after care programs.

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

**Figure A-1
Organization of the Maria L. Varisco-Roger Charter School's Financial Report**



**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Figure A-2

	Charter School-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire School	The activities of the School that are not proprietary, such as special education and building maintenance	Activities the School operates similar to private businesses: food services and after care programs
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets, or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Charter School-wide Statements

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

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

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

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

- *Governmental activities*: Most of the Charter School's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service and after care programs are included here.

Fund Financial Statements

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

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

The School has two kinds of funds:

- *Governmental funds*: Most of the Charter School's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Charter School's programs. Because this information does not encompass the additional long-term focus of the Charter School-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the Charter School charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the Charter School-wide statements. The Charter School's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information (such as cash flows). *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The Charter School currently does not maintain any internal service funds.

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Financial Analysis of the School as a Whole

Net Position. The Charter School's combined net position was \$2,937,488 as of June 30, 2023 – an increase of \$2,223,476 or 311.41% from the prior year (see Figure A-3).

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

	Governmental Activities		Business-Type Activities		Total Charter School		% Change
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022	
Current and Other Assets	\$ 6,557,538	\$ 4,662,995	\$ 742,139	\$ 599,613	\$ 7,299,677	\$ 5,262,608	
Capital Assets, Net			32,047	6,908	32,047	6,908	
Lease Assets, Net	229,636	1,124,666			229,636	1,124,666	
Total Assets	6,787,174	5,787,661	774,186	606,521	7,561,360	6,394,182	18.25%
Deferred Outflows of Resources	562,553	645,840			562,553	645,840	-12.90%
Other Liabilities	980,713	754,286	29,638		1,010,351	754,286	
Long-Term Liabilities	3,468,084	3,710,735			3,468,084	3,710,735	
Total Liabilities	4,448,797	4,465,021	29,638		4,478,435	4,465,021	0.30%
Deferred Inflows of Resources	707,990	1,860,989			707,990	1,860,989	-61.96%
Net Position:							
Net Investment in Capital Assets			32,047	6,908	32,047	6,908	
Restricted	95,348	102,470			95,348	102,470	
Unrestricted	2,097,592	5,021	712,501	599,613	2,810,093	604,634	
Total Net Position	\$ 2,192,940	\$ 107,491	\$ 744,548	\$ 606,521	\$ 2,937,488	\$ 714,012	311.41%

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Changes in Net Position. The Charter School's combined net position increased by \$2,223,476 – governmental activities increased \$2,085,449 and business-type activities increased \$138,027. The Charter School's unrestricted net position increased primarily due to a decrease in the net pension liability and changes in deferred inflows and outflows related to pensions and general fund revenues exceeding expenditures.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022	
Revenue:							
Program Revenue:							
Charges for Services	\$ 58,961	\$ 13,050	\$ 53,577	\$ 15	\$ 112,538	\$ 13,065	
Operating Grants and Contributions	4,181,659	\$ 3,158,707	689,484	586,293	4,871,143	3,745,000	
General Revenue:							
Local Levy - Charter School Aid	1,181,790	1,176,095			1,181,790	1,176,095	
Unrestricted Federal & State Aid	8,428,205	7,518,607			8,428,205	7,518,607	
Other	2,625	225,037			2,625	225,037	
Total Revenue	<u>13,853,240</u>	<u>12,091,496</u>	<u>743,061</u>	<u>586,308</u>	<u>14,596,301</u>	<u>12,677,804</u>	15.13%
Expenses:							
Instruction	7,436,834	5,996,921			7,436,834	5,996,921	
Student & Instruction Related Services	791,222	667,490			791,222	667,490	
Administrative & Business	2,387,026	2,496,879			2,387,026	2,496,879	
Maintenance & Operations	1,148,015	1,143,449			1,148,015	1,143,449	
Transportation	4,694	4,093			4,694	4,093	
Other			605,034	430,276	605,034	430,276	
Total Expenses	<u>11,767,791</u>	<u>10,308,832</u>	<u>605,034</u>	<u>430,276</u>	<u>12,372,825</u>	<u>10,739,108</u>	15.21%
Change in Net Position	<u>\$ 2,085,449</u>	<u>\$ 1,782,664</u>	<u>\$ 138,027</u>	<u>\$ 156,032</u>	<u>\$ 2,223,476</u>	<u>\$ 1,938,696</u>	14.69%

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Governmental Activities

Net position of the Charter School's governmental activities increased by \$2,085,449. The increase is primarily due to General Fund revenues exceeding expenditures and the change in the net pension liability and deferred inflows and outflows related to pension.

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

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

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022-2023</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2021-2022</u>
Instruction	\$ 7,436,834	\$ 5,996,921	\$ 3,574,097	\$ 3,141,419
Student & Instruction Services	791,222	667,490	732,261	654,440
Administrative & Business	2,387,026	2,496,879	2,387,026	2,496,879
Maintenance & Operations	1,148,015	1,143,449	829,093	840,244
Transportation	4,694	4,093	4,694	4,093
	<u>\$ 11,767,791</u>	<u>\$ 10,308,832</u>	<u>\$ 7,527,171</u>	<u>\$ 7,137,075</u>

Business-type Activities

Net position of the Charter School's business-type activities increased by \$138,027 (Figure A-4). The increase is primarily due to the Charter School receiving funds from Newark Board of Education during the current year.

Financial Analysis of Charter School's Funds

The Charter School's General Fund financial status improved despite difficult economic times which have had a direct impact on the Charter School's revenue sources.

To maintain a stable financial position, the Charter School must continue to practice sound fiscal management.

General Fund Budgetary Highlights

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

**MARIA L. VARISCO-ROGERS CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Capital Assets

The Charter School's capital assets increased \$25,139 or 363.91% mainly as a result of a new addition in the food service fund. (More detailed information about the Charter School's capital assets is presented in the Note 4 to the Basic Financial Statements).

Figure A-6

Capital Assets (Net of Depreciation)

	<u>Business-Type Activities</u>		<u>Total School District</u>		Percentage Change
	<u>2022-2023</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2021-2022</u>	
Machinery and Equipment	\$ 32,047	\$ 6,908	\$ 32,047	\$ 6,908	
Total Capital Assets, Net of Depreciation	<u>\$ 32,047</u>	<u>\$ 6,908</u>	<u>\$ 32,047</u>	<u>\$ 6,908</u>	363.91%

Long-Term Liabilities

The Charter School's long-term liabilities decreased \$242,651 or 6.54% during the fiscal year. This is due to a decrease in leases payable of \$898,271 offset by an increase in compensated absences of \$5,470 and an increase in the net pension liability of \$650,150,

Figure A-7

Long-Term Liabilities

	<u>Total School District</u>		Percentage Change
	<u>2022-2023</u>	<u>2021-2022</u>	
Compensated Absences	\$ 248,260	\$ 242,790	
Leases Payable	232,109	1,130,380	
Net Pension Liability	<u>2,987,715</u>	<u>2,337,565</u>	
	<u>\$ 3,468,084</u>	<u>\$ 3,710,735</u>	-6.54%

Factors Bearing on the Charter School's Future

The State of New Jersey continues to face serious budgetary constraints. These impact the amount of state aid allocated to charter schools. This reality was taken into account when adopting the general fund budget for 2023-2024. Nothing was done to compromise the quality of the programs in place in our Charter School during the regular instructional day. The budget was prepared to ensure that all students have the textbooks, materials supplies, equipment and programs they need to meet New Jersey's Core Curriculum Content Standards.

Contacting the Charter School's Financial Management

The State of New Jersey continues to face serious budgetary constraints. These impact the amount of state aid allocated to charter schools. This reality was taken into account when adopting the general fund budget for 2022-2023. Nothing was done to compromise the quality of the programs in place in our Charter School during the regular instructional day. The budget was prepared to ensure that all students have the textbooks, materials supplies, equipment and programs they need to meet New Jersey's Core Curriculum Content Standards.

BASIC FINANCIAL STATEMENTS

CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 4,751,317	\$ 651,194	\$ 5,402,511
Receivables from Other Governments:			
Federal	1,592,835	81,155	1,673,990
State	95,785	2,807	98,592
Other Accounts Receivable	22,253		22,253
Inventory		6,983	6,983
Restricted Cash and Cash Equivalents	95,348		95,348
Non-Current Assets:			
Capital Assets, Net:			
Machinery and Equipment		32,047	32,047
Lease Assets, Net	229,636		229,636
Total Assets	<u>6,787,174</u>	<u>774,186</u>	<u>7,561,360</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows in Pensions	562,553		562,553
Total Deferred Outflows of Resources	<u>562,553</u>		<u>562,553</u>
LIABILITIES			
Accounts Payable	838,639	29,504	868,143
Payable to Local Government	56,415		56,415
Unearned Revenue	85,659	134	85,793
Noncurrent Liabilities:			
Due Within One Year	208,095		208,095
Due Beyond One Year	3,259,989		3,259,989
Total Liabilities	<u>4,448,797</u>	<u>29,638</u>	<u>4,478,435</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows in Pensions	707,990		707,990
Total Deferred Inflows of Resources	<u>707,990</u>		<u>707,990</u>
NET POSITION			
Investment in Capital Assets		32,047	32,047
Restricted:			
Charter School Escrow	75,000		75,000
Student Activities	20,348		20,348
Unrestricted	2,097,592	712,501	2,810,093
Total Net Position	<u>\$ 2,192,940</u>	<u>\$ 744,548</u>	<u>\$ 2,937,488</u>

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 6,691,978		\$ 3,483,256	\$ (3,208,722)		\$ (3,208,722)
Special Education	705,676		379,481	(326,195)		(326,195)
Other Instruction	39,180			(39,180)		(39,180)
Support Services:						
Student & Instruction Related Services	791,222	\$ 58,961		(732,261)		(732,261)
General Administrative Services	635,424			(635,424)		(635,424)
School Administrative Services	1,688,121			(1,688,121)		(1,688,121)
Administrative Information Technology	63,481			(63,481)		(63,481)
Plant Operations and Maintenance	1,148,015		318,922	(829,093)		(829,093)
Pupil Transportation	4,694			(4,694)		(4,694)
Total Governmental Activities	11,767,791	58,961	4,181,659	(7,527,171)		(7,527,171)
Business-Type Activities:						
Food Service	604,600	17,497	689,484		\$ 102,381	102,381
After Care Programs	434	36,080			35,646	35,646
Total Business-Type Activities	605,034	53,577	689,484		138,027	138,027
Total Primary Government	\$ 12,372,825	\$ 112,538	\$ 4,871,143	(7,527,171)	138,027	(7,389,144)

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Local Property Taxes - Charter School Aid	\$ 1,181,790		\$ 1,181,790
Unrestricted Federal and State Aid	8,428,205		8,428,205
Miscellaneous Income	2,625		2,625
	9,612,620		9,612,620
Total General Revenues			
Change in Net Position	2,085,449	\$ 138,027	2,223,476
Net Position - Beginning	107,491	606,521	714,012
Net Position - Ending	\$ 2,192,940	\$ 744,548	\$ 2,937,488

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

FUND FINANCIAL STATEMENTS

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and Cash Equivalents	\$ 4,751,317		\$ 4,751,317
Interfund Receivable	1,507,176		1,507,176
Receivables From Other Governments:			
Federal		\$ 1,592,835	1,592,835
State	95,785		95,785
Other Accounts Receivable	22,253		22,253
Restricted Cash and Cash Equivalents	75,000	20,348	95,348
Total Assets	<u><u>\$ 6,451,531</u></u>	<u><u>\$ 1,613,183</u></u>	<u><u>\$ 8,064,714</u></u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 621,856		\$ 621,856
Interfund Payable		\$ 1,507,176	1,507,176
Unearned Revenue		85,659	85,659
Payable to Other Governments:			
Local	56,415		56,415
Total Liabilities	<u><u>678,271</u></u>	<u><u>1,592,835</u></u>	<u><u>2,271,106</u></u>
Fund Balances:			
Restricted:			
Charter School Escrow	75,000		75,000
Student Activities		20,348	20,348
Unassigned	5,698,260		5,698,260
Total Fund Balances	<u><u>5,773,260</u></u>	<u><u>20,348</u></u>	<u><u>5,793,608</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 6,451,531</u></u>	<u><u>\$ 1,613,183</u></u>	<u><u>\$ 8,064,714</u></u>

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>Total Governmental Funds</u>
<p>Amounts Reported for <i>Governmental Activities</i> in the <i>Statement of Net Position</i> (A-1) is Different Because:</p>	
Total Fund Balances - Governmental Funds (Exhibit B-1)	\$ 5,793,608
Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	229,636
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(2,987,715)
<p>Certain amounts related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not reported in the Governmental Funds:</p>	
Deferred Outflows - Pensions	345,770
Deferred Inflows - Pensions	(707,990)
Long-Term Liabilities, including Compensated Absences Payable and Leases Payable are not due and payable in the current period and therefore are not reported as liabilities in the Funds (see Note 5).	<u>(480,369)</u>
Net Position of Governmental Activities (Exhibit A-1)	<u><u>\$ 2,192,940</u></u>

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUE:			
Local Sources:			
Charter School Aid	\$ 1,181,790		\$ 1,181,790
Restricted Miscellaneous		\$ 58,961	58,961
Unrestricted Miscellaneous	2,625		2,625
Total - Local Sources	1,184,415	58,961	1,243,376
State Sources	11,114,252	300	11,114,552
Federal Sources		1,558,796	1,558,796
Total Revenue	<u>12,298,667</u>	<u>1,618,057</u>	<u>13,916,724</u>
EXPENDITURES			
Current:			
Regular Instruction	2,327,629	1,477,924	3,805,553
Special Education Instruction	448,710	81,172	529,882
Student & Instruction Related Services	549,198	66,083	615,281
General Administrative Services	630,963		630,963
School Administrative Services	1,546,981		1,546,981
Administrative Information Technology	45,591		45,591
Plant Operations and Maintenance	1,102,779		1,102,779
Pupil Transportation	4,694		4,694
Employee Benefits	3,999,757		3,999,757
Total Expenditures	<u>10,656,302</u>	<u>1,625,179</u>	<u>12,281,481</u>
Excess/(Deficit) of Revenue Over/(Under) Expenditures	1,642,365	(7,122)	1,635,243
Fund Balance—July 1	<u>4,130,895</u>	<u>27,470</u>	<u>4,158,365</u>
Fund Balance—June 30	<u>\$ 5,773,260</u>	<u>\$ 20,348</u>	<u>\$ 5,793,608</u>

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 1,635,243

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

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

Amortization Expense (895,030)

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

898,271

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

(5,470)

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

Change in Net Pension Liability (650,150)

Change in Deferred Outflows (50,414)

Change in Deferred Inflows 1,152,999

Change in Net Position - Governmental Funds (Exhibit A-2)

\$2,085,449

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023

	Business-Type Activities		
	Enterprise Funds		
	Food Service Program Major Fund	Non-Major Fund	Total All Funds
<u>ASSETS:</u>			
Current Assets:			
Cash and cash equivalents	\$ 503,826	\$ 147,368	\$ 651,194
Accounts Receivable:			
State	2,807		2,807
Federal	81,155		81,155
Intrafund Receivable	40,281		40,281
Inventory	6,983		6,983
Total Current Assets	<u>635,052</u>	<u>147,368</u>	<u>782,420</u>
Non-Current Assets:			
Capital Assets	77,470		77,470
Less: Accumulated Depreciation	<u>(45,423)</u>		<u>(45,423)</u>
Total Non-Current Assets	<u>32,047</u>		<u>32,047</u>
Total Assets	<u>667,099</u>	<u>147,368</u>	<u>814,467</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Intrafund Payable		40,281	40,281
Unearned Revenue - Prepaid Sales	134		134
Accounts Payable - Vendors	<u>29,504</u>		<u>29,504</u>
Total Current Liabilities	<u>29,638</u>	<u>40,281</u>	<u>69,919</u>
<u>NET POSITION:</u>			
Investment in Capital Assets	32,047		32,047
Unrestricted	<u>605,414</u>	<u>107,087</u>	<u>712,501</u>
Total Net Position	<u>\$ 637,461</u>	<u>\$ 107,087</u>	<u>\$ 744,548</u>

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities		
	Enterprise Funds		
	Food Service Program Major Fund	Non-Major Fund	Total All Funds
Operating Revenue			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 17,497		\$ 17,497
Charges and Program Fees		\$ 36,080	36,080
Total Operating Revenue	17,497	36,080	53,577
Operating Expenses:			
Cost of Sales - Reimbursable Programs	287,806		287,806
Salaries and Payroll Taxes	214,495		214,495
Employee Benefits	63,421	237	63,658
Purchased Services	16,575		16,575
Depreciation	4,365		4,365
Miscellaneous	17,938	197	18,135
Total Operating Expenses	604,600	434	605,034
Operating Income/(Loss)	(587,103)	35,646	(551,457)
Non-Operating Revenue:			
Local Sources:			
Newark Board of Education Contributions	140,802		140,802
State Sources:			
State School Lunch Program	10,095		10,095
State Breakfast Program	1,769		1,769
State After the Bell Program	4,217		4,217
Federal Sources:			
National Lunch Program	320,754		320,754
School Breakfast Program	106,712		106,712
After School Snack Program	11,164		11,164
Healthy Hunger-Free Kids Act	6,235		6,235
Food Distribution Program	13,951		13,951
Supply Chain Assistance	40,130		40,130
Fresh Fruits & Vegetables Program	33,655		33,655
Total Non-Operating Revenue	689,484		689,484
Change in Net Position	102,381	35,646	138,027
Net Position - Beginning of Year	535,080	71,441	606,521
Net Position - End of Year	\$ 637,461	\$ 107,087	\$ 744,548

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities		
	Enterprise Funds		
	Food Service Program Major Fund	Non-Major Fund	Total All Funds
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 17,831	\$ 36,080	\$ 53,911
Payments to Food Service Vendor	(573,166)		(573,166)
Payments to Suppliers	(14,341)	(434)	(14,775)
Net Cash Provided By/(Used for) Operating Activities	<u>(569,676)</u>	<u>35,646</u>	<u>(534,030)</u>
Cash Flows from Noncapital Financing Activities:			
Cash Received from State and Federal Reimbursements	487,770		487,770
Cash Received from Local Sources	140,802		140,802
Net Cash Provided by Noncapital Financing Activities	<u>628,572</u>		<u>628,572</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	58,896	35,646	94,542
Cash and Cash Equivalents, July 1	<u>444,930</u>	<u>111,722</u>	<u>556,652</u>
Cash and Cash Equivalents, June 30	<u>\$ 503,826</u>	<u>\$ 147,368</u>	<u>\$ 651,194</u>
Reconciliation of Operating Income/(Loss) to			
Net Cash Provided By/(Used for) Operating Activities:			
Adjustment to Reconcile Operating Income/(Loss)			
to Cash Provided By/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ (587,103)	\$ 35,646	\$ (551,457)
Federal Food Distribution Program (Commodities)	13,951		13,951
Depreciation	4,365		4,365
Changes in assets and liabilities:			
(Increase)/Decrease in Inventory	(1,225)		(1,225)
(Increase)/Decrease in Other Accounts Receivable	200		200
Increase/(Decrease) in Unearned Revenue	136		136
Net Cash Provided By/(Used for) Operating Activities	<u>\$ (569,676)</u>	<u>\$ 35,646</u>	<u>\$ (534,030)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$13,951 for the fiscal year ended June 30, 2023.

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

Charter School-Wide Financial Statements:

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

B. Basis of Presentation: (Cont'd)

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

The Statement of Activities presents a comparison between direct expenses and program revenue for each function of the Charter School's Governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function is self-financing or draws from the general revenues of the Charter School.

Fund Financial Statements:

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

The Charter School reports the following Governmental Funds:

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

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

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

B. Basis of Presentation: (Cont'd)

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

The Charter School reports the following proprietary funds:

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

C. Measurement Focus and Basis of Accounting

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

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

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

D. Budgets/Budgetary Control:

Charter School Aid is susceptible to accrual since under the New Jersey State Statute, each constituent school district is required to remit to the Charter School the entire balance of aid in the amount reported to each district by the State Department of Education. The Charter School is entitled to receive moneys under the established payment schedule and the unpaid amount is an “accounts receivable”.

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

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue Funds. Budgets are prepared using the modified accrual basis of accounting. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote of the Board of Trustees. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Charter of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by resolution of the Board of Trustees. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	<u>\$ 12,298,667</u>	<u>\$ 1,618,057</u>
Total Revenues as Reported on the Statement of Revenues,		
Expenditures and Changes in Fund Balances - Governmental Funds	<u><u>\$ 12,298,667</u></u>	<u><u>\$ 1,618,057</u></u>

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

D. Budgets/Budgetary Control: (Cont'd)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 10,656,302</u>	<u>\$ 1,625,179</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 10,656,302</u>	<u>\$ 1,625,179</u>

E. Cash and Cash Equivalents and Investments:

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

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

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

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

F. Interfund Transactions:

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

F. Interfund Transactions: (Cont'd)

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

Inventories which benefit future periods, other than those recorded in the Enterprise Fund, are recorded as expenditures during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise and general funds represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

K. Capital Assets:

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

K. Capital Assets: (Cont'd)

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

	<u>Estimated Useful Life</u>
Machinery and Equipment	5 to 15 years

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

L. Lease Assets

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

M. Subscription Assets

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

N. Long Term Liabilities:

In the Charter School-Wide Statement of Net Position, long-term debt and other long-term obligations would be reported as liabilities in governmental activities. Bond premiums and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

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

O. Accrued Salaries and Wages:

The Charter School allows employees, who provide services to the Charter School over the ten-month academic year, the option to have their salaries evenly disbursed during the entire twelve-month year. There was \$278,097 in accrued summer pay salaries and wages at June 30, 2023.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

P. Compensated Absences:

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

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

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

Q. Lease Payable:

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

R. Subscription Payable

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

S Unearned Revenue:

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

T. Fund Balance Appropriated:

General Fund: At June 30, 2023, the General Fund fund balance of \$5,773,260 consists of \$75,000 restricted for Charter School Escrow and \$5,698,260 in unassigned fund balance.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2023 is \$20,348 and is restricted for student activities.

U. Net Position:

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

U. Net Position: (Cont'd)

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

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

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

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

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

V. Deficit Net Position:

The Charter School did not have a deficit in net position at June 30, 2023.

W. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for charter school escrow, which is required by the New Jersey Department of Education, and for student activities. The Charter School had \$75,000 restricted fund balance for Charter School Escrow.

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

W. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The Board of Trustees has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the members of the Board of Trustees at a public meeting of that governing body. The Board of Trustees must also utilize a formal motion or a resolution passed by a majority of the members of the Board of Trustees at a public meeting of that governing body in order to remove or change the commitment of resources. The Charter School has no committed resources at June 30, 2023.

The assignment of resources is generally made by the Board of Trustees through a motion or a resolution passed by a majority of the members of the Board of Trustees. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Trustees may allow an official of the Charter School to assign resources through policies adopted by the Board of Trustees. The Charter School has no assigned resources as of June 30, 2023.

X Revenue - Exchange and Non-exchange Transactions:

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

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

Under the modified accrual basis, the following revenue sources are both measurable and available at period-end: property taxes, interest and tuition.

Y. Management Estimates:

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

Deposits:

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

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

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

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

Deposits: (Cont'd)

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

Investments:

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

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Investments: (Cont'd)

- (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district or charter school;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district or charter school;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district or charter school with respect to these deposits; and
 - (e) On the same date that the school district's or charter school's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district or charter school through the designated public depository.

As of June 30, 2023, cash and cash equivalents of the Charter School consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total Cash and Cash Equivalents
Checking & Savings Accounts	\$ 5,402,511	\$ 95,348	\$ 5,497,859

During the period ended June 30, 2023, the Charter School did not hold any investments. The carrying amount of the Charter School's cash and cash equivalents at June 30, 2023, was \$5,497,859 and the bank balance was \$5,785,981.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 4. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Governmental Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 594,956			\$ 594,956
Total Capital Assets Being Depreciated	594,956			594,956
Less Accumulated Depreciation for:				
Machinery and Equipment	(594,956)			(594,956)
Total Accumulated Depreciation	(594,956)			(594,956)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 47,966	\$ 29,504		\$ 77,470
Less Accumulated Depreciation	(41,058)	(4,365)		(45,423)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 6,908	\$ 25,139	\$ -0-	\$ 32,047
Total Governmental and Business-Type Activities	\$ 6,908	\$ 25,139	\$ -0-	\$ 32,047

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 5. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Lease Assets Being Amortized:				
Machinery and Equipment	\$ 4,234,093			\$ 4,234,093
Total Lease Assets Being Amortized	<u>4,234,093</u>			<u>4,234,093</u>
Governmental Activities Lease Assets	<u>4,234,093</u>			<u>4,234,093</u>
Less Accumulated Amortization for:				
Machinery and Equipment	<u>(3,109,427)</u>	\$ (895,030)		<u>(4,004,457)</u>
	<u>(3,109,427)</u>	<u>(895,030)</u>		<u>(4,004,457)</u>
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 1,124,666</u>	<u>\$ (895,030)</u>	<u>\$ -0-</u>	<u>\$ 229,636</u>

Amortization expense was charged to governmental functions as follows:

Regular Instruction	\$ 131,785
Operations and Maintenance of Plant	<u>763,245</u>
	<u>\$ 895,030</u>

NOTE 6. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the Charter School-wide financial statements:

	<u>Balance June 30, 2022</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
Compensated Absences	\$ 242,790	\$ 5,470		\$ 248,260
Leases Payable	1,130,380		\$ 898,271	232,109
Net Pension Liability	<u>2,337,565</u>	<u>650,150</u>		<u>2,987,715</u>
	<u>\$ 3,710,735</u>	<u>\$ 655,620</u>	<u>\$ 898,271</u>	<u>\$ 3,468,084</u>

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

A. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in current and long-term portion and will be liquidated by the General Fund. No portion of the compensated absences balance of the governmental funds at June 30, 2023 is currently payable; therefore, the long-term portion of compensated absences is \$248,260.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, no liability existed for compensated absences in the Enterprise Funds.

B. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in current and long-term portion and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2023 is \$-0- and the long-term portion is \$2,987,715. See Note 7 for further information on the PERS.

C. Leases Payable:

The District had leases outstanding as of June 30, 2023 as follows:

Purpose	Frequency of Payment	Final Maturity Date	Interest Rate	Amount
Lease of Building at:				
18 Heller Parkway	Monthly	8/1/2023	3.00%	\$ 43,010
243 Woodside Ave	Monthly	8/1/2023	3.00%	60,253
233 Woodside Ave	Monthly	8/1/2023	3.00%	6,159
381 Woodside Ave	Monthly	8/1/2023	3.00%	16,413
2019 Chromebooks	Monthly	8/19/2023	5.00%	4,121
2021 Kyocera Copiers	Monthly	10/12/2024	4.00%	69,432
2020 Asus Chromebooks	Monthly	8/1/2023	4.00%	5,664
2020 Surface Laptops	Monthly	9/1/2023	4.00%	2,322
2021 Chromebooks	Monthly	10/15/2024	4.00%	24,735
				<u>\$ 232,109</u>

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

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 208,095	\$ 20,904
2025	24,014	201
	<u>\$ 232,109</u>	<u>\$ 21,105</u>

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS

Substantially all of the Charter School’s employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers’ Pension and Annuity Fund (TPAF) or the Public Employee’s Retirement System (PERS) of New Jersey.

A. Public Employees Retirement System (PERS)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for PERS:

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

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Contributions

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

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

Charter School contributions to PERS amounted to \$249,656 for the current fiscal year. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$6,286 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Pension Liabilities and Pension Expense

At June 30, 2023, the Charter School's liability was \$2,987,715 for its proportionate share of the net pension liability. 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 which was rolled forward to 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 members, actuarially determined. At June 30, 2022, the Charter School's proportion was .0198%, which was an increase of 0.0001% from its proportion measured as of June 30, 2021.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

For the fiscal year ended June 30, 2023, the Charter School recognized actual pension benefit in the amount of \$202,777 related to the Charter School's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$6,286 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2023, the Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources on the following page.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

	<u>Deferral Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2018	5.63		\$ (71,819)
	2019	5.21		(89,749)
	2020	5.16		(263,912)
	2021	5.13		(21,899)
	2022	5.04	\$ 9,257	
			<u>9,257</u>	<u>(447,379)</u>
Changes in Proportion	2018	5.63	20,984	
	2019	5.21	160,340	
	2020	5.16		(211,823)
	2021	5.13		(29,772)
	2022	5.04	9,966	
			<u>191,290</u>	<u>(241,595)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	2,955	
	2020	5.00	88,815	
	2021	5.00	(553,973)	
	2022	5.00	585,862	
			<u>123,659</u>	
Difference Between Expected and Actual Experience	2018	5.63		(2,735)
	2019	5.21	6,860	
	2020	5.16	14,704	
	2021	5.13		(7,362)
	2022	5.04		(8,919)
			<u>21,564</u>	<u>(19,016)</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	216,783	
			<u>\$ 562,553</u>	<u>\$ (707,990)</u>

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

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

Fiscal Year Ending June 30,	Total
2023	\$ (256,283)
2024	(130,568)
2025	(63,675)
2026	138,915
2027	(304)
	\$ (311,915)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

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

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

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 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-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	8.00%	11.19%
Real Estate	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 Management Strategies	3.00%	4.91%

Discount Rate

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

The following presents the Charter School's proportionate share of the collective net pension liability as of June 30, 2022 calculated using the discount rate as disclosed below, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 3,838,339	\$ 2,987,715	\$ 2,263,800

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a 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.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of 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.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$1,377,129 to the TPAF for normal pension benefits on behalf of the Charter School, which is more than the contractually required contribution of \$525,893.

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

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the Charter School was \$19,540,639. 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 which was rolled forward to 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 members, actuarially determined. At June 30, 2022, the Charter School's proportion was 0.03787%, which was an increase of 0.00061% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>19,540,639</u>
Total	<u><u>\$ 19,540,639</u></u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the Charter School in the amount of \$525,893 and the Charter School recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			<u>3,013,097,864</u>	<u>19,441,140,477</u>
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845.00
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			<u>1,172,371,073</u>	
			<u>\$ 4,885,289,911</u>	<u>\$19,563,805,393</u>

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$(14,678,515,482)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

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

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the 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-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets 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%

Discount Rate – TPAF

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the Charter School as of June 30, 2022 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 22,911,814	\$ 19,540,639	\$ 16,700,847

Pension Plan Fiduciary Net Position - TPAF

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

NOTE 8. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2023, the Charter School did not have any encumbrances in the General or Special Revenue Funds.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. DEFERRED COMPENSATION

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

NOTE 10. ECONOMIC DEPENDENCY

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

NOTE 11. RISK MANAGEMENT

The Charter School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The Charter School provides employees with health benefit coverage through the State of New Jersey Health Benefits Plan.

Property and Liability Insurance

A complete schedule of insurance coverage can be found in the statistical section of this annual comprehensive financial report.

The Charter School is a member of the New Jersey Schools Insurance Group ("NJSIG"). This public entity risk management pool provided workers' compensation and employer's liability for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this annual comprehensive financial report.

The NJSIG is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts and charter schools established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district or charter school for the purpose of creating a governing body from which officers for the NJSIG are elected.

As a member of the NJSIG, the Charter School could be subject to supplemental assessments in the event of deficiencies. If the assets of the NJSIG were to be exhausted, members would become responsible for their respective shares of the NJSIG's liabilities.

The NJSIG can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body.

Selected financial information for NJSIG as of June 30, 2023 is on the following page.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

Total Assets	\$ 429,049,188
Net Position	\$ 201,308,725
Total Revenue	\$ 160,069,780
Total Expenses	\$ 141,165,428
Change in Net Position	\$ 16,304,414
Net Position Distribution to Participating Members	\$ 2,599,938

Financial statements for the NJSIG are available at the Group’s Executive Director’s Office:
600 Midlantic Drive
Mount Laurel, NJ 08054
Phone: 609-386-6060s
Fax: 609-386-8877

New Jersey Unemployment Compensation Insurance

The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”. Under this plan, the Charter School is required to remit employee withholdings to the State on a quarterly basis. All of the Charter School’s claims are paid by the State.

NOTE 12. INTERFUND AND INTRAFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2023.

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 1,507,176	
Special Revenue Fund		\$ 1,507,176
Food Service Fund	40,281	
After Care Fund		40,281
	\$ 1,547,457	\$ 1,547,457

The interfund payable in the Special Revenue is for the cash advanced from the General Fund while awaiting grant reimbursements. The intrafund payable in the After Care Fund is for amounts due to the food service fund for services provided in a prior year.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 13. ACCOUNTS PAYABLE

At year end June 30, 2023, the Charter School has the following accounts payable:

	<u>Governmental Funds</u>	<u>Contribution Subsequent to Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Total Business-Type Activities</u>
	<u>General Fund</u>			
Vendors	\$ 390,139		\$ 390,139	\$ 29,504
Payroll Deductions and Withholdings	25		25	
Accrued Salaries and Wages State of New Jersey	231,692	\$ 216,783	231,692 216,783	
	<u>\$ 621,856</u>	<u>\$ 216,783</u>	<u>\$ 838,639</u>	<u>\$ 29,504</u>

NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employee Plan (Cont’d)

General Information about the OPEB Plan (Cont’d)

Plan Description and Benefits Provided (Cont’d)

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

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

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	151,669
Active Plan Members	<u>213,148</u>
Total	<u><u>364,817</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

Actuarial Assumptions and Other Inputs

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

	TPAF/ABP	PERS	PFRS
Salary Increases	2.75 - 4.25% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employee Plan (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

Mortality Rates

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% 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 rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employee Plan (Cont'd)

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

	Total OPEB Liability
Balance at June 30, 2021	\$ 9,864,915
Changes for Year:	
Service Cost	1,156,840
Interest Cost	210,462
Differences Between Expected and Actual Experience	(958,390)
Changes in Assumptions	(2,130,414)
Member Contributions	6,688
Gross Benefit Payments	(208,469)
Net Changes	(1,923,283)
Balance at June 30, 2022	\$ 7,941,632

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

The following presents the total nonemployer OPEB Liability attributable to the Charter School as of June 30, 2022, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the Charter School would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
	Total OPEB Liability Attributable to the Charter School	\$ 9,334,553	\$ 7,941,632

The following presents the total nonemployer OPEB Liability attributable to the Charter School as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the Charter School would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employee Plan (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the Charter School to Changes in the Discount Rate (Cont'd)

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the Charter School	\$ 6,564,244	\$ 7,941,632	\$ 9,750,914

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

For the fiscal year ended June 30, 2023 the Charter School recognized OPEB expense of \$1,154,540 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the Charter School's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources.

At June 30, 2022 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the Charter School from the following sources.

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 412,338
	2018	9.51		393,488
	2019	9.29	\$ 55,556	
	2020	9.24	1,311,667	
	2021	9.24	7,272	
	2022	9.13		1,897,072
				1,374,495
Differences between Expected and Actual Experience	2018	9.51		371,968
	2019	9.29		653,880
	2020	9.24	1,222,525	
	2021	9.24		1,398,824
	2022	9.13	195,371	
			1,417,896	2,424,672
Changes in Proportion	N/A	N/A	1,616,343	620,252
			\$ 4,408,734	\$ 5,747,822

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employee Plan (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (394,703)
2024	(394,703)
2025	(394,703)
2026	(341,122)
2027	(195,058)
Thereafter	(614,890)
	\$ (2,335,179)

REQUIRED SUPPLEMENTARY SCHEDULES

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Charter Schools Proportion of the Net Pension Liability	0.0181757183%	0.0201653585%	0.0207914194%	0.0183240766%	0.0191555666%	0.0222034330%	0.0199558560%	0.0197321150%	0.0197975014%
Charter Schools Proportionate Share of the Net Pension Liability	\$ 2,705,757	\$ 4,526,719	\$ 6,157,822	\$ 4,265,552	\$ 3,771,636	\$ 4,000,722	\$ 3,254,278	\$ 2,337,565	\$ 2,987,715
Charter Schools Covered Employee Payroll	\$ 1,308,708	\$ 1,537,341	\$ 1,284,803	\$ 1,318,866	\$ 1,426,603	\$ 1,129,786	\$ 1,423,649	\$ 1,410,339	\$ 1,256,310
Charter Schools Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	206.75%	294.45%	479.28%	323.43%	264.38%	354.11%	228.59%	165.74%	237.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHARTER SCHOOL CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 149,838	\$ 173,368	\$ 184,708	\$ 169,753	\$ 190,536	\$ 220,846	\$ 219,067	\$ 231,086	\$ 249,656
Contributions in relation to the Contractually Required Contribution	(149,838)	(173,368)	(184,708)	(169,753)	(190,536)	(220,846)	(219,067)	(231,086)	(249,656)
Contribution Deficiency/(Excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's Covered Employee Payroll	\$1,537,341	\$1,284,803	\$1,318,866	\$1,426,603	\$1,129,786	\$1,423,649	\$1,410,339	\$1,256,310	\$1,366,685
Contributions as a percentage of Covered Employee Payroll	9.75%	13.49%	14.01%	11.90%	16.86%	15.51%	15.53%	18.39%	18.27%

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY ASSOCIATED WITH THE CHARTER SCHOOL
 TEACHERS' PENSION AND ANNUITY FUND
 LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's Proportion of the Net Pension Liability Attributable to the Charter School	0.0218223811%	0.0300712160%	0.0310683479%	0.03388439480%	0.0383271225%	0.0367796609%	0.0372522590%	0.0372561836%	0.0378735538%
State's Proportionate Share of the Net Pension Liability Attributable to the Charter School	\$ 11,663,352	\$ 19,006,293	\$ 24,440,341	\$ 22,818,810	\$ 24,382,892	\$ 22,572,025	\$ 24,530,164	\$ 17,910,981	\$ 19,540,639
Charter School's Covered Employee Payroll	\$ 3,109,823	\$ 3,109,823	\$ 3,754,717	\$ 3,961,834	\$ 3,759,098	\$ 3,857,005	\$ 4,156,801	\$ 3,813,430	\$ 3,551,970
State's Proportionate Share of the Net Pension Liability Attributable to the Charter School as a Percentage of its Covered Employee Payroll	375.05%	611.17%	650.92%	575.97%	648.64%	585.22%	590.12%	469.68%	550.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 713,303	\$ 1,005,677	\$ 1,458,529	\$ 1,199,132	\$ 1,421,437	\$ 1,331,358	\$ 1,525,390	\$ 421,453	\$ 525,893
Contributions in Relation to the Contractually Required Contribution	(364,543)	(432,815)	(530,485)	(578,120)	(738,509)	(817,085)	(1,082,992)	(1,559,124)	(1,377,129)
Contribution Deficiency/(Excess)	\$ 348,760	\$ 572,862	\$ 928,044	\$ 621,012	\$ 682,928	\$ 514,273	\$ 442,398	\$ (1,137,671)	\$ (851,236)
District's Covered Employee Payroll	\$ 3,109,823	\$ 3,754,717	\$ 3,961,834	\$ 3,759,098	\$ 3,857,005	\$ 4,156,801	\$ 3,813,430	\$ 3,551,970	\$ 4,048,357
Contributions as a Percentage of Covered Employee Payroll	11.72%	11.53%	13.39%	15.38%	19.15%	19.66%	28.40%	43.89%	34.02%

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE CHARTER SCHOOL AND RELATED RATIOS
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Change in Total OPEB Liability:						
Service Cost	\$ 1,037,607	\$ 853,992	\$ 704,238	\$ 797,674	\$ 1,499,344	\$ 1,156,840
Interest Cost	237,588	285,146	251,803	225,101	255,906	210,462
Change in Benefit Terms					(10,500)	
Differences Between Expected and Actual Experience		(1,611,188)	(1,033,800)	2,229,509	(2,454,476)	(958,390)
Changes in Assumptions	(1,306,968)	(675,534)	85,343	1,965,473	9,732	(2,130,414)
Member Contributions	6,129	5,440	5,208	5,678	6,542	6,688
Gross Benefit Payments	(166,450)	(157,410)	(175,705)	(187,322)	(201,582)	(208,469)
Net Change in Total OPEB Liability	(192,094)	(1,299,554)	(162,913)	5,036,113	(895,034)	(1,923,283)
Total OPEB Liability - Beginning	7,378,397	7,186,303	5,886,749	5,723,836	10,759,949	9,864,915
Total OPEB Liability - Ending	<u>\$ 7,186,303</u>	<u>\$ 5,886,749</u>	<u>\$ 5,723,836</u>	<u>\$ 10,759,949</u>	<u>\$ 9,864,915</u>	<u>\$ 7,941,632</u>
State's Covered Employee Payroll *	\$ 4,394,626	\$ 5,073,583	\$ 5,388,437	\$ 4,888,884	\$ 5,280,654	\$ 5,567,140
Total OPEB Liability as a Percentage of Covered Employee Payroll	164%	116%	106%	220%	187%	143%

* - Covered payroll for the fiscal years ending June 30, 2017 - 2022 are based on the payroll on the June 30, 2016 - 2021 census data.

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation, the salary increases were 2.75%-6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation, the salary increases were 2.75%-5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The salary increases for PFRS were 3.25%-15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25%-16.25% in the valuation as of June 30, 2022.

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

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

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Local Levy - Charter School Aid - Local Share	\$ 1,178,574	\$ 3,216	\$ 1,181,790	\$ 1,181,790	
Unrestricted Miscellaneous Revenue				2,625	\$ 2,625
Total - Local Sources	1,178,574	3,216	1,181,790	1,184,415	2,625
State Sources:					
Special Education Aid - Charter School Aid	297,392	5,499	302,891	298,309	(4,582)
Security Aid	300,962	21,519	322,481	318,922	(3,559)
Equalization Aid	8,233,726	191,791	8,425,517	8,397,380	(28,137)
State Non Public Aid			30,825	30,825	
On-Behalf TPAF Pension Contributions (Non-Budgeted)				1,377,129	1,377,129
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				366,788	366,788
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				881	881
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				19,106	19,106
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				304,912	304,912
Total State Sources	8,832,080	218,809	9,081,714	11,114,252	1,708,520
Total Revenues	10,010,654	222,025	10,263,504	12,298,667	2,035,163

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Regular Programs - Instruction:					
Grades 1-5 - Salaries of Teachers	\$ 841,675		\$ 841,675	\$ 616,070	\$ 225,605
Grades 6-8 - Salaries of Teachers	1,549,022		1,549,022	1,076,389	472,633
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	1,361,850		1,361,850	561,195	800,655
Purchased Professional/Technical Services	100,000		100,000		100,000
Other Purchased Services	125,000		125,000		125,000
General Supplies	125,000		125,000	49,088	75,912
Textbooks	50,000		50,000		50,000
Other Objects	10,000	\$ 5,000	15,000	24,887	(9,887)
Total Regular Programs - Instruction	4,162,547	5,000	4,167,547	2,327,629	1,839,918
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	559,024		559,024	448,710	110,314
Total Resource Room/Resource Center/Total Special Education	559,024		559,024	448,710	110,314
Total Instruction	4,721,571	5,000	4,726,571	2,776,339	1,950,232
Improvement of Instructional Services:					
Salaries of Facilitators, Math Coaches & Literacy Coaches	100,158		100,158	100,101	57
Total Improvement of Instruction Services	100,158		100,158	100,101	57

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures:					
Health Services:					
Salaries	\$ 109,368		\$ 109,368	\$ 109,368	
Purchased Professional/Technical Services	20,000		20,000		\$ 20,000
Total Health Services	129,368		129,368	109,368	20,000
Attendance & Social Work					
Salaries	377,586		377,586	339,729	37,857
Total Attendance & Social Work	377,586		377,586	339,729	37,857
General Administration:					
Salaries	420,079		420,079	419,326	753
Purchased Professional and Technical Services	26,000		26,000	3,303	22,697
Other Purchased Services (400-500 series other than 530 & 585)	146,000		146,000	98,565	47,435
Communications/Telephone	75,000		75,000	70,570	4,430
General Supplies	45,000		45,000	12,443	32,557
Miscellaneous Expenditures	20,000		20,000	26,756	(6,756)
Total General Administration	732,079		732,079	630,963	101,116
School Administration:					
Salaries of Principals/Assistant Principals/Prog Director	610,281		610,281	523,576	86,705
Salaries of Other Professional Staff	301,600		301,600	301,213	387
Salaries of Secretarial and Clerical Assistants	125,579		125,579	58,056	67,523
Other Salaries	266,452		266,452	434,489	(168,037)
Purchased Professional and Technical Services	200,000		200,000	58,225	141,775
Other Purchased Services (400-500 series)	223,400		223,400	171,422	51,978
Total School Administration	1,727,312		1,727,312	1,546,981	180,331

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures:					
Administrative Information Technology:					
Salaries	\$ 45,634		\$ 45,634	\$ 45,591	\$ 43
Total Administrative Information Technology	45,634		45,634	45,591	43
Custodial Services:					
Salaries	102,727		102,727	118,550	(15,823)
Rental of Land & Building Other than Lease Purchase Agreement	860,875		860,875	860,877	(2)
Insurance	54,000		54,000	46,767	7,233
General Supplies	40,000		40,000	18,367	21,633
Energy (Electric)	54,000		54,000	53,612	388
Other Objects	15,000	\$ (5,000)	10,000	4,606	5,394
Total Custodial Services	1,126,602	(5,000)	1,121,602	1,102,779	18,823
Student Transportation Services:					
Contracted Services:					
Other than Between Home and School - Vendors	10,000		10,000	4,694	5,306
Total Student Transportation Services	10,000		10,000	4,694	5,306
Unallocated Employee Benefits:					
Social Security Contributions	508,409		508,409	465,252	43,157
Other Retirement Contributions - PERS	200,365		200,365	250,525	(50,160)
Unemployment Compensation	85,986		85,986	55,951	30,035
Workmen's Compensation	66,143		66,143	50,941	15,202
Health Insurance	1,438,610		1,438,610	1,108,272	330,338
Total Unallocated Employer Benefits	2,299,513		2,299,513	1,930,941	368,572

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures:					
On-Behalf Contributions: (Non-Budgeted)					
On-Behalf TPAF Pension Contributions (Non-Budgeted)				\$ 1,377,129	\$ (1,377,129)
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				366,788	(366,788)
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				881	(881)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				19,106	(19,106)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				304,912	(304,912)
Total On-Behalf Contributions				2,068,816	(2,068,816)
Total Expenditures	\$ 11,269,823		\$ 11,269,823	10,656,302	613,521
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1,259,169)	\$ 222,025	(1,006,319)	1,642,365	2,648,684
Fund Balance, July 1	4,130,895		4,130,895	4,130,895	
Fund Balance, June 30	\$ 2,871,726	\$ 222,025	\$ 3,093,751	\$ 5,773,260	\$ 2,679,509
Restricted:					
Charter School Escrow				\$ 75,000	
Unassigned				5,698,260	
Fund Balance per Governmental Funds GAAP/Budgetary Basis				\$ 5,773,260	

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources		\$ 66,083	\$ 66,083	\$ 58,961	\$ (7,122)
State Sources		300	300	300	
Federal Sources	\$ 5,181,603		5,181,603	1,558,796	(3,622,807)
Total Revenue	5,181,603	66,383	5,247,986	1,618,057	(3,629,929)
Expenditures:					
Instruction:					
Salaries of Teachers	1,266,727	102,822	1,369,549	598,109	771,440
Purchased Professional and Educational Services	58,000	183,180	241,180	198,180	43,000
Other Purchased Services	500,000	89,696	589,696	326,113	263,583
General Supplies	526,531	71,989	598,520	122,052	476,468
Other Objects	30,000		30,000		30,000
Total Instruction	2,381,258	447,687	2,828,945	1,244,454	1,584,491
Support Services:					
Salaries	517,000		517,000		517,000
Employee Benefits	896,896	(132,737)	764,159	33,044	731,115
Purchased Professional and Educational Services	191,996	(68,685)	123,311	20,435	102,876
Purchased Professional and Technical Services	137,235	66,735	203,970	88,735	115,235
Other Purchased Services	262,564	103,225	365,789	134,657	231,132
Supplies and Materials	519,327	(177,853)	341,474	37,771	303,703
Other Objects	66,709	(60,572)	6,137		6,137
Student Activities		66,083	66,083	66,083	
Total Support Services	2,591,727	(203,804)	2,387,923	380,725	2,007,198
Equipment:					
Instructional Equipment	165,000	(165,000)			
Non-Instructional Equipment	43,618	(12,500)	31,118		31,118
Total Equipment	208,618	(177,500)	31,118		31,118
Total Expenditures	5,181,603	66,383	5,247,986	1,625,179	3,622,807
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ (7,122)	\$ (7,122)

MARIA L. VARISCO-ROGERS 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) "Revenue" from the Budgetary Comparison Schedule	<u>\$ 12,298,667</u>	<u>\$ 1,618,057</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u><u>\$ 12,298,667</u></u>	<u><u>\$ 1,618,057</u></u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 10,656,302</u>	<u>\$ 1,625,179</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 10,656,302</u></u>	<u><u>\$ 1,625,179</u></u>

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue Funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Trustees. Budgets are prepared using the modified accrual basis of accounting. The legal level budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest of (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Elementary and Secondary Education Act Title II, Part A	Title III, Part A	IDEA Part B Basic	ARP IDEA Part B Basic	ARP IDEA Part B Preschool
REVENUE:					
Local Sources					
State Sources					
Federal Sources	\$ 327,235	\$ 313	\$ 81,172	\$ 14,754	\$ 2,831
Total Revenue	327,235	313	81,172	14,754	2,831
EXPENDITURES:					
Instruction:					
Salaries of Teachers	34,447		79,515		
Purchased Professional and Educational Services	236,416		883		
Other Purchased Services	31,384	163			
General Supplies	302,247	163	80,398		
Total Instruction	1,533		574		
Support Services:					
Employee Benefits					
Purchased Professional and Educational Services		2,650	200	14,754	2,831
Purchased Professional and Technical Services					
Other Purchased Services	22,500				
Supplies and Materials	955	150			
Student Activities					
Total Support Services	24,988	2,650	774	14,754	2,831
Total Expenditures	\$ 327,235	\$ 313	\$ 81,172	\$ 14,754	\$ 2,831

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	CARES Act Grant	ESSER II	CRRSA Learning Acceleration	ARP ESSER III	SDA Emergent and Capital Maint. Needs	Student Activities	Totals June 30, 2023
REVENUE:							
Local Sources						\$ 58,961	\$ 58,961
State Sources					\$ 300		300
Federal Sources	\$ 13,476	\$ 1,096,914	\$ 14,208	\$ 5,243			1,558,796
Total Revenue	13,476	1,096,914	14,208	5,243	300	58,961	1,618,057
EXPENDITURES:							
Instruction:							
Salaries of Teachers		469,939	14,208				598,109
Purchased Professional and Educational Services	10,876	198,180					198,180
Other Purchased Services		78,821					326,113
General Supplies		84,079		5,243	300		122,052
Total Instruction	10,876	831,019	14,208	5,243	300		1,244,454
Support Services:							
Employee Benefits		30,937					33,044
Purchased Professional and Educational Services							20,435
Purchased Professional and Technical Services		88,735					88,735
Other Purchased Services	2,600	109,557					134,657
Supplies and Materials		36,666					37,771
Student Activities						66,083	66,083
Total Support Services	2,600	265,895				66,083	380,725
Total Expenditures	\$ 13,476	\$ 1,096,914	\$ 14,208	\$ 5,243	\$ 300	\$ 66,083	\$ 1,625,179

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Major Fund</u>	<u>Non-Major Fund</u>	
	<u>Food Service Program</u>	<u>After Care Programs</u>	<u>Total</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 503,826	\$ 147,368	\$ 651,194
Accounts Receivable:			
State	2,807		2,807
Federal	81,155		81,155
Intrafund Receivable	40,281		40,281
Inventories	6,983		6,983
Total Current Assets	<u>635,052</u>	<u>147,368</u>	<u>782,420</u>
Non-Current Assets:			
Capital Assets	77,470		77,470
Less: Accumulated Depreciation	<u>(45,423)</u>		<u>(45,423)</u>
Total Non-Current Assets	<u>32,047</u>		<u>32,047</u>
Total Assets	<u>667,099</u>	<u>147,368</u>	<u>814,467</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Intrafund Payable		40,281	40,281
Unearned Revenue - Prepaid Sales	134		134
Accounts Payable	<u>29,504</u>		<u>29,504</u>
Total Current Liabilities	<u>29,638</u>	<u>40,281</u>	<u>69,919</u>
<u>NET POSITION:</u>			
Investment in Capital Assets	32,047		32,047
Unrestricted	<u>605,414</u>	<u>107,087</u>	<u>712,501</u>
Total Net Position	<u>\$ 637,461</u>	<u>\$ 107,087</u>	<u>\$ 744,548</u>

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Major Fund</u>	<u>Non-Major Fund</u>	
	<u>Food Service Program</u>	<u>After Care Programs</u>	<u>Total</u>
Operating Revenue			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 17,497		\$ 17,497
Charges and Program Fees		\$ 36,080	36,080
Total Operating Revenue	<u>17,497</u>	<u>36,080</u>	<u>53,577</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	287,806		287,806
Salaries and Payroll Taxes	214,495		214,495
Employee Benefits	63,421	237	63,658
Management Fees	16,575		16,575
Depreciation	4,365		4,365
Miscellaneous	17,938	197	18,135
Total Operating Expenses	<u>604,600</u>	<u>434</u>	<u>605,034</u>
Operating Income/(Loss)	<u>(587,103)</u>	<u>35,646</u>	<u>(551,457)</u>
Non-Operating Revenue:			
Local Sources:			
Newark Board of Education Contributions	140,802		140,802
State Sources:			
State School Lunch Program	10,095		10,095
State Breakfast Program	1,769		1,769
State After the Bell Program	4,217		4,217
Federal Sources:			
National Lunch Program	320,754		320,754
School Breakfast Program	106,712		106,712
After School Snack Program	11,164		11,164
Healthy Hunger-Free Kids Act	6,235		6,235
Food Distribution Program	13,951		13,951
Supply Chain Assistance	40,130		40,130
Fresh Fruits & Vegetables Program	33,655		33,655
Total Non-Operating Revenue	<u>689,484</u>		<u>689,484</u>
Change in Net Position	102,381	35,646	138,027
Net Position - Beginning of Year	<u>535,080</u>	<u>71,441</u>	<u>606,521</u>
Net Position - End of Year	<u>\$ 637,461</u>	<u>\$ 107,087</u>	<u>\$ 744,548</u>

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Major Fund</u>	<u>Non-Major</u>	
	<u>Food Service</u>	<u>Fund</u>	
	<u>Program</u>	<u>After Care</u>	<u>Total</u>
	<u>Programs</u>	<u>Programs</u>	<u>Programs</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 17,831	\$ 36,080	\$ 53,911
Payments to Food Service Vendor	(573,166)		(573,166)
Payments to Suppliers	(14,341)	(434)	(14,775)
Net Cash Provided By/(Used for) Operating Activities	<u>(569,676)</u>	<u>35,646</u>	<u>(534,030)</u>
Cash Flows from Noncapital Financing Activities:			
Cash Received from State and Federal Reimbursements	487,770		487,770
Cash Received from Local Sources	140,802		140,802
Net Cash Provided by Noncapital Financing Activities	<u>628,572</u>		<u>628,572</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	58,896	35,646	94,542
Cash and Cash Equivalents, July 1	<u>444,930</u>	<u>111,722</u>	<u>556,652</u>
Cash and Cash Equivalents, June 30	<u>\$ 503,826</u>	<u>\$ 147,368</u>	<u>\$ 651,194</u>
Reconciliation of Operating Income/(Loss) to			
Net Cash Provided By/(Used for) Operating Activities:			
Adjustment to Reconcile Operating Income/(Loss)			
to Cash Provided By/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ (587,103)	\$ 35,646	\$ (551,457)
Federal Food Distribution Program (Commodities)	13,951		13,951
Depreciation	4,365		4,365
Changes in assets and liabilities:			
(Increase)/Decrease in Other Accounts Receivable	200		200
(Increase)/Decrease in Inventory	(1,225)		(1,225)
Increase/(Decrease) in Unearned Revenue	136		136
Net Cash Provided By/(Used for) Operating Activities	<u>\$ (569,676)</u>	<u>\$ 35,646</u>	<u>\$ (534,030)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$13,951 for the fiscal year ended June 30, 2023.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES

Item	Interest Rate	Original Issue	Balance July 1, 2022	Retired or Matured	Balance June 30, 2023
18 Heller Parkway	3.00%	\$ 1,304,377	\$ 304,342	\$ 261,332	\$ 43,010
243 Woodside Ave	3.00%	1,827,302	426,352	366,099	60,253
233 Woodside Ave	3.00%	186,786	43,582	37,423	6,159
381 Woodside Ave	3.00%	497,764	116,141	99,728	16,413
2019 Chromebooks	5.00%	90,036	28,141	24,020	4,121
2020 Asus Chromebooks	4.00%	96,400	38,867	33,203	5,664
2020 Surface Laptops	4.00%	26,387	11,380	9,058	2,322
2021 Kyocera Copiers	4.00%	151,183	119,134	49,702	69,432
2021 Chromebooks	4.00%	53,858	42,441	17,706	24,735
			<u>\$ 1,130,380</u>	<u>\$ 898,271</u>	<u>\$ 232,109</u>

STATISTICAL SECTION
(UNAUDITED)

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

Contents

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)
(Accrual Basis of Accounting)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Net Investment in Capital Assets	\$ 170,892	\$ 164,006	\$ 331,489	\$ 227,351	\$ 143,608	\$ 78,861	\$ 25,263	\$ 95,837	\$ 102,470	\$ 95,348
Restricted							95,754			
Unrestricted/(Deficit)	3,659,953	507,741	(1,163,753)	(1,941,159)	(2,560,316)	(2,845,151)	(3,008,740)	(1,771,010)	5,021	2,097,592
Total Governmental Activities										
Net Position/(Deficit)	\$ 3,830,845	\$ 671,747	\$ (832,264)	\$ (1,713,808)	\$ (2,416,708)	\$ (2,766,290)	\$ (2,887,723)	\$ (1,675,173)	\$ 107,491	\$ 2,192,940
Business-Type Activities:										
Investment in Capital Assets							\$ 7,867	\$ 9,600	\$ 6,908	\$ 32,047
Unrestricted	\$ 260,185	\$ 267,823	\$ 290,345	\$ 313,514	\$ 151,063	\$ 196,009	203,296	440,889	599,613	712,501
Total Business-Type Activities										
Net Position	\$ 260,185	\$ 267,823	\$ 290,345	\$ 313,514	\$ 151,063	\$ 196,009	\$ 211,163	\$ 450,489	\$ 606,521	\$ 744,548
Charter School-Wide										
Net Investment in Capital Assets	\$ 170,892	\$ 164,006	\$ 331,489	\$ 227,351	\$ 143,608	\$ 78,861	\$ 33,130	\$ 9,600	\$ 6,908	\$ 32,047
Restricted							95,754	95,837	102,470	95,348
Unrestricted/(Deficit)	3,920,138	775,564	(873,408)	(1,627,645)	(2,409,253)	(2,649,142)	(2,805,444)	(1,330,121)	604,634	2,810,093
Total Charter School-Wide Net Position/(Deficit)	\$ 4,091,030	\$ 939,570	\$ (541,919)	\$ (1,400,294)	\$ (2,265,645)	\$ (2,570,281)	\$ (2,676,560)	\$ (1,224,684)	\$ 714,012	\$ 2,937,488

Source: Charter School Financial Reports.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
REVENUES, EXPENSES AND CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(UNAUDITED)
(Accrual Basis of Accounting)

	For Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 4,507,212	\$ 4,912,501	\$ 5,583,188	\$ 6,824,517	\$ 6,279,673	\$ 6,776,937	\$ 6,796,137	\$ 6,952,042	\$ 5,511,643	\$ 6,691,978
Special Education							475,867	418,028	462,600	705,676
Other Instruction							98,495	55,912	22,678	39,180
Support Services:										
Student & Instruction Related Services	2,115,331	2,354,309	2,540,298	2,501,871	2,586,664	2,672,924	766,822	660,835	667,490	791,222
General Administration Services	2,005,572	1,936,850	2,365,545	3,068,730	3,203,484	3,163,911	838,099	780,206	288,142	635,424
School Administration Services							1,485,149	1,330,674	2,154,327	1,688,121
Central Services							388,927			
Administrative Information Technology							107,651	57,801	54,410	63,481
Plant Operations And Maintenance							1,345,071	1,251,332	1,143,449	1,148,015
Pupil Transportation							6,183	3,213	4,093	4,694
Capital Outlay	9,378	50,052	70,806			7,430				
Unallocated Depreciation	43,361	54,509	73,876	104,138	86,562	64,746				
Total Governmental Activities Expenses	8,680,854	9,308,221	10,633,713	12,499,256	12,156,383	12,685,948	12,308,401	11,510,043	10,308,832	11,767,791
Business-Type Activities:										
Food Service Program	338,623	382,788	322,689	391,197	612,552	410,030	294,910	193,912	430,276	604,600
After Care Program	57,739	46,562	39,385	13,915	9,943	11,318	9,701	600		434
Total Business-Type Activities Expenses	396,362	429,350	362,074	405,112	622,495	421,348	304,611	194,512	430,276	605,034
Total Charter School-Wide Expenses	9,077,216	9,737,571	10,995,787	12,904,368	12,778,878	13,107,296	12,613,012	11,704,555	10,739,108	12,372,825
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	100,042	103,987	116,950	2,940,773	2,772,036	3,474,789	3,426,823	4,007,688	3,158,707	4,181,659
Charges for Services								4,058	13,050	58,961
Total Governmental Activities Program Revenues	100,042	103,987	116,950	2,940,773	2,772,036	3,474,789	3,426,823	4,011,746	3,171,757	4,240,620
Business-Type Activities:										
Charges for Services	81,863	96,050	43,566	54,040	57,383	54,433	40,961	1,673	15	53,577
Operating Grants and Contributions	342,699	354,684	341,030	374,242	402,659	411,861	278,804	432,165	586,293	689,484
Transfers	68,032	54,286								
Total Business-Type Activities Program Revenues	492,594	505,020	384,596	428,282	460,042	466,294	319,765	433,838	586,308	743,061
Total Charter School-Wide Program Revenues	592,636	609,007	501,546	3,369,055	3,232,078	3,941,083	3,746,588	4,445,584	3,758,065	4,983,681

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
REVENUES, EXPENSES AND CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)
(Accrual Basis of Accounting)

	For Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expenses)/Revenue										
Governmental Activities	\$ (8,580,812)	\$ (9,204,234)	\$ (10,516,763)	\$ (9,558,483)	\$ (9,384,347)	\$ (9,211,159)	\$ (8,881,578)	\$ (7,498,297)	\$ (7,137,075)	\$ (7,527,171)
Business-Type Activities	96,232	75,670	22,522	23,170	(162,453)	44,946	15,154	239,326	156,032	138,027
Total Charter School-Wide Net (Expenses)/Revenue	(8,484,580)	(9,128,564)	(10,494,241)	(9,535,313)	(9,546,800)	(9,166,213)	(8,866,424)	(7,258,971)	(6,981,043)	(7,389,144)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Local Property Taxes - Charter School Aid	1,050,419	1,039,083	1,038,007	1,014,869	1,154,168	1,091,609	1,162,890	1,119,860	1,176,095	1,181,790
Unrestricted Federal and State Aid	7,836,347	7,831,084	7,971,728	7,660,479	7,514,331	7,767,478	7,576,210	7,585,233	7,518,607	8,428,205
Miscellaneous Income	3,631	25,097	3,017	1,591	12,948	2,490	291	11,027	225,037	2,625
Total Governmental Activities General Revenues and Other Changes	8,890,397	8,895,264	9,012,752	8,676,939	8,681,447	8,861,577	8,739,391	8,716,120	8,919,739	9,612,620
Total Charter School-Wide General Revenues & Other Changes in Net Position	8,890,397	8,895,264	9,012,752	8,676,939	8,681,447	8,861,577	8,739,391	8,716,120	8,919,739	9,612,620
Change in Net Position:										
Governmental Activities	309,585	(308,970)	(1,504,011)	(881,544)	(702,900)	(349,582)	(142,187)	1,217,823	1,782,664	2,085,449
Business-Type Activities	96,232	75,670	22,522	23,170	(162,453)	44,946	15,154	239,326	156,032	138,027
Total Charter School-Wide Change in Net Position	\$ 405,817	\$ (233,300)	\$ (1,481,489)	\$ (858,374)	\$ (865,353)	\$ (304,636)	\$ (127,033)	\$ 1,457,149	\$ 1,938,696	\$ 2,223,476

Source: Charter School Financial Reports.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)
(Modified Accrual Basis of Accounting)

	June 30,				
	2014	2015	2016	2017	2018
General Fund:					
Restricted					
Unassigned	\$ 3,659,953	\$ 3,357,869	\$ 1,972,145	\$ 2,052,629	\$ 1,674,877
Total General Fund	<u>\$ 3,659,953</u>	<u>\$ 3,357,869</u>	<u>\$ 1,972,145</u>	<u>\$ 2,052,629</u>	<u>\$ 1,674,877</u>
	June 30,				
	2019	2020	2021	2022	2023
General Fund:					
Restricted		\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Assigned		12			
Unassigned	\$ 1,562,815	1,671,956	2,841,823	4,055,895	5,698,260
Total General Fund	<u>\$ 1,562,815</u>	<u>\$ 1,746,968</u>	<u>\$ 2,916,823</u>	<u>\$ 4,130,895</u>	<u>\$ 5,773,260</u>
All Other Governmental Funds:					
Restricted:					
Special Revenue Fund		\$ 20,754	\$ 20,837	\$ 27,470	\$ 20,348
Total Other Governmental Funds	<u>\$ -0-</u>	<u>\$ 20,754</u>	<u>\$ 20,837</u>	<u>\$ 27,470</u>	<u>\$ 20,348</u>

Source: Charter School Financial Reports.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

(UNAUDITED)
 (Modified Accrual Basis of Accounting)

	For the Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Local Charter School Aid	\$ 1,050,419	\$ 1,039,083	\$ 1,050,295	\$ 1,014,869	\$ 1,154,168	\$ 1,091,609	\$ 1,162,890	\$ 1,119,860	\$ 1,176,095	\$ 1,181,790
Miscellaneous	3,631	25,097	3,017	1,591	12,948	2,490	291	15,085	238,087	61,586
State Sources	7,415,728	7,418,566	7,562,546	8,645,091	8,737,455	9,119,826	9,577,568	9,872,207	10,314,703	11,114,552
Federal Sources	520,662	516,505	513,844	500,487	546,310	572,605	557,386	961,804	629,327	1,558,796
Total Revenue	8,990,440	8,999,251	9,129,702	10,162,038	10,450,881	10,786,530	11,298,135	11,968,956	12,358,212	13,916,724
Expenditures:										
Instruction:										
Regular Instruction	3,446,360	3,690,323	4,137,198	3,889,666	3,859,533	3,905,188	3,393,885	3,354,045	3,062,012	3,805,553
Special Education Instruction							378,736	327,838	404,774	529,882
Other Special Instruction							24,675	9,048	1,293	
Support Services and Undistributed Costs:										
Student & Instruction Related Services	1,885,038	2,013,060	2,153,627	1,890,551	2,052,548	2,025,191	689,119	480,787	570,521	615,281
General Administration Services	3,296,717	3,500,277	3,912,436	3,316,725	3,690,609	3,608,436	670,832	797,662	275,832	630,963
School Administration Services							1,075,286	1,306,037	2,083,007	1,546,981
Central Services							290,740			
Administrative Information Technology							78,000	39,423	44,990	45,591
Plant Operations And Maintenance							1,267,996	1,163,167	1,111,583	1,102,779
Pupil Transportation							6,183	3,213	4,093	4,694
Employee Benefits				984,612	1,223,124	1,352,348	3,238,530	3,317,798	3,579,402	3,999,757
Capital Outlay	73,238	97,675	312,165		2,819	7,430			205,041	
Total Expenditures	8,701,353	9,301,335	10,515,426	10,081,554	10,828,633	10,898,593	11,113,982	10,799,018	11,342,548	12,281,481
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	289,087	(302,084)	(1,385,724)	80,484	(377,752)	(112,063)	184,153	1,169,938	1,015,664	1,635,243
Other Financing Sources (Uses):										
Leases (Non-Budgeted)									205,041	
Total Other Financing Sources (Uses)									205,041	
Net Change In Fund Balances	\$ 289,087	\$ (302,084)	\$ (1,385,724)	\$ 80,484	\$ (377,752)	\$ (112,063)	\$ 184,153	\$ 1,169,938	\$ 1,220,705	\$ 1,635,243
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Charter School Financial Reports.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)
(Modified Accrual Basis of Accounting)

Fiscal Year Ended June 30,	Interest on Investments	Prior Year Refunds	Miscellaneous	Grants and Contributions	Total
2014	\$ 2,966		\$ 108	\$ 557	\$ 3,631
2015	2,581		21,716	800	25,097
2016	1,017		2,000		3,017
2017	672		919		1,591
2018	541		5,252	7,155	12,948
2019			2,490		2,490
2020	291				291
2021	91		936	10,000	11,027
2022		\$ 148,172	76,865		225,037
2023			2,625		2,625

Source: Charter School Financial Reports.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction:										
Regular	66	68	67	61	64	66	61	45	45	42
Support Services:										
School Administration Services	17	15	14	16	16	13	15	16	16	17
Support Services	8	13	11	13	11	11	9	10	8	10
Total	<u>91</u>	<u>96</u>	<u>92</u>	<u>90</u>	<u>92</u>	<u>90</u>	<u>85</u>	<u>71</u>	<u>69</u>	<u>69</u>

Source: Charter School Business Office

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percent Change	Teaching Staff ^c	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle				
2014	464	\$ 8,628,115	\$ 18,595	4.74%	66	N/A	N/A	463.1	436	5.01%	94.04%
2015	486	9,203,660	18,938	6.67%	68	N/A	N/A	490.8	470	5.98%	95.80%
2016	486	10,203,261	20,994	10.86%	67	N/A	N/A	486.0	466	-0.98%	95.80%
2017	540	10,081,554	18,670	-1.19%	61	N/A	N/A	540.0	517	11.11%	95.80%
2018	547	10,828,633	19,796	7.41%	64	N/A	N/A	546.6	524	1.22%	95.79%
2019	554	10,898,593	19,673	0.65%	66	11:1	8:1	554.2	531	1.39%	95.80%
2020	577	11,113,982	19,262	1.98%	64	9:1	9:1	573.4	556	3.46%	96.93%
2021	582	10,799,018	18,555	-2.83%	42	14:1	14:1	573.0	561	-0.06%	97.91%
2022	582	11,137,507	19,137	3.13%	45	13:1	13:1	570.0	543	-0.52%	95.26%
2023	562	12,281,481	21,853	10.27%	42	13:1	13:1	567.9	537	-0.37%	94.56%

Note: Enrollment is based on final June enrollment count.

a Operating expenditures equal total expenditures less capital outlay.

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

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

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

N/A - Information Not Available

Source: Charter School Business Office

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>District Building</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
18 Heller Parkway Grades 5 thru 8										
Square Feet	11,200	11,200	11,200	11,200	11,200	11,200	11,200	11,200	11,200	11,200
Capacity (Students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	216	216	216	240	240	313	259	252	254	251
243 Woodside Avenue Elementary & Kindergarten										
Square Feet	18,711	18,711	18,711	18,711	18,711	18,711	18,711	18,711	18,711	18,711
Capacity (Students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	270	270	270	300	307	245	318	330	317	311
381 Woodside Avenue Administrative Offices										
Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
233 Woodside Avenue Administration & Computer Labs										
Square Feet	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	2,400

Number of Schools at June 30, 2023:

Elementary = 1

Middle School = 1

N/A - Not Applicable/Available

Source: School Facilities Office

Note: Enrollment is based on the final June school count.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
INSURANCE SCHEDULE
JUNE 30, 2023
(UNAUDITED)

Commercial Package Policy - New Jersey Schools Insurance Group (NJSIG):

	<u>Coverage</u>	<u>Deductible</u>
Real & Personal Property (per occurrence)	\$ 500,000,000	\$ 1,000
Blanket Extra Expense	\$ 50,000,000	\$ 1,000
Blanket Valuable Paper & Records	\$ 10,000,000	\$ 1,000
Demolition & Increased Cost of Construction	\$ 25,000,000	
Limited Builders Risk	\$ 10,000,000	
Fire Dept. Service Charge	\$ 10,000	
Arson Reward	\$ 10,000	
Pollution Cleanup & Removal	\$ 250,000	
Flood/Earthquake:		
Flood Zone A & V	\$ 25,000,000	\$ 500,000
All Other Flood Zones	\$ 75,000,000	\$ 10,000
Earthquake	\$ 50,000,000	\$ 1,000
Terrorism	\$ 1,000,000	
Electronic Data Processing:		
Blanket Hardware/Software, Extra Expense, Business Income, Transit, Debris Removal Flood (Deductible for Zone A & Z) (Deductible All Other Flood Zones)	\$ 550,000	\$ 1,000 \$ 500,000 \$ 10,000
Equipment Breakdown		
Combined Single Limit/Accident for Property Damage & Business Income	\$ 100,000,000	\$ 1,000
Property Damage	Included	\$ 1,000
Off Premises Property Damage	\$ 1,000,000	\$ 1,000
Extra Expense	\$ 10,000,000	\$ 1,000
Service Interruption	\$ 10,000,000	\$ 1,000
Perishable Goods	\$ 1,000,000	\$ 1,000
Data Restoration	\$ 1,000,000	\$ 1,000
Demolition	\$ 1,000,000	\$ 1,000
Ordinance or Law	\$ 1,000,000	\$ 1,000
Expediting Expense	\$ 1,000,000	\$ 1,000
Hazardous Substances	\$ 1,000,000	\$ 1,000
Newly Acquired Locations - 120 Days Notice	\$ 1,000,000	\$ 1,000
Crime Coverage:		
Public Employee Dishonesty	\$ 100,000	\$ 1,000
Theft, Disapp. & Destruction/Money Orders & Counterfeit Currency	\$ 50,000	\$ 500
Forgery or Alteration	\$ 50,000	\$ 500
Computer Fraud	\$ 50,000	\$ 500

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
INSURANCE SCHEDULE
JUNE 30, 2023
(UNAUDITED)

Commercial Package Policy - New Jersey Schools Insurance Group (NJSIG):

	<u>Coverage</u>	<u>Deductible</u>
Public Officials Bond		
Board Secretary - J Segara (RLI)	\$ 220,000	\$ 1,000
General Liability:		
Bodily Injury & Property Damage	\$ 6,000,000	
Products & Completed Operations	\$ 6,000,000	
Sexual Abuse	\$ 6,000,000	
Personal Injury & Advertising Injury	\$ 6,000,000	
Employee Benefits Liability	\$ 6,000,000	\$ 1,000
Premises Medical Payments	\$10,000 per accident \$5,000 per person	
Terrorism	\$ 1,000,000	
Automotive Coverage:		
Combined Single Limit for Bodily Injury & Property Damage	\$ 6,000,000	\$ 1,000
Personal Injury Protection	\$ 250,000	
Medical Payments	\$ 10,000	
Underinsured	\$ 15,000	
Terrorism	\$ 1,000,000	
Garagekeepers	Included	
School Leaders Errors & Omissions		
Coverage A - protection againsts "loss"/Wrongful Acts	\$ 6,000,000	\$ 5,000
Coverage B - defense costs for specific administrative actions	\$100,000/claim \$300,000/agg	\$ 5,000 \$ 5,000
Retro Date	\$ 31,594	
Workers' Compensation		
Part One		Statutory
Part Two:		
Bodily Injury by Accident	\$ 2,000,000	
Bodily Injury by Disease	\$ 2,000,000	
Student Accident		
All School Base (AIG)	\$ 25,000	
Catastrophic (AIG)	\$ 7,500,000	\$ 25,000

Source: Maria L. Varisco-Rogers Charter School Business Office.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
FINANCIAL PERFORMANCE - GOVERNMENTAL ACTIVITIES
LAST SEVEN FISCAL YEARS
(UNAUDITED)

	2017	2018	2019	2020	2021	2022	2023
Cash	\$ 1,769,852	\$ 1,687,843	\$ 1,615,584	\$ 1,652,002	\$ 3,032,953	\$ 3,919,024	\$ 4,751,317
Current Assets	502,128	216,707	190,300	250,924	2,226,427	640,200	1,806,221
Lease Assets, Net						1,124,666	229,636
Capital Assets, Net	227,351	143,608	78,861	25,263			
Total Assets	<u>2,499,331</u>	<u>2,048,158</u>	<u>1,884,745</u>	<u>1,928,189</u>	<u>5,259,380</u>	<u>5,683,890</u>	<u>6,787,174</u>
Deferred Outflows	<u>2,386,231</u>	<u>1,541,651</u>	<u>1,191,926</u>	<u>1,504,126</u>	<u>1,032,841</u>	<u>645,840</u>	<u>562,553</u>
Current Liabilities	219,351	229,673	243,069	374,265	760,930	741,355	980,713
Long-Term Liabilities	6,380,019	4,480,867	3,997,494	4,253,621	5,279,124	3,710,735	3,468,084
Total Liabilities	<u>6,599,370</u>	<u>4,710,540</u>	<u>4,240,563</u>	<u>4,627,886</u>	<u>6,040,054</u>	<u>4,452,090</u>	<u>4,448,797</u>
Deferred Inflows	<u>-0-</u>	<u>1,295,977</u>	<u>1,602,398</u>	<u>1,712,906</u>	<u>1,927,340</u>	<u>1,860,989</u>	<u>707,990</u>
Net Position/(Deficit)	<u>\$ (1,713,808)</u>	<u>\$ (2,416,708)</u>	<u>\$ (2,766,290)</u>	<u>\$ (2,908,477)</u>	<u>\$ (1,675,173)</u>	<u>\$ 16,651</u>	<u>\$ 2,192,940</u>
Total Revenue	\$ 12,045,994	\$ 11,913,525	\$ 12,802,660	\$ 12,166,214	\$ 12,727,866	\$ 12,000,656	\$ 13,853,240
Total Expenses	<u>12,904,368</u>	<u>12,778,878</u>	<u>13,107,296</u>	<u>12,308,401</u>	<u>11,510,043</u>	<u>10,308,832</u>	<u>11,767,791</u>
Change in Net Position	<u>\$ (858,374)</u>	<u>\$ (865,353)</u>	<u>\$ (304,636)</u>	<u>\$ (142,187)</u>	<u>\$ 1,217,823</u>	<u>\$ 1,691,824</u>	<u>\$ 2,085,449</u>
Depreciation Expense	\$ 104,138	\$ 86,562	\$ 64,746	\$ 53,598	\$ -0-	\$ -0-	\$ -0-
Final Average Daily Enrollment	540	547	588	573	573	570	568
March 30th Budgeted Enrollment	540	540	560	558	558	560	560
Near Term Indicators:							
Current Ratio	2.29	0.94	0.78	0.67	2.93	0.86	1.84
Unrestricted Days Cash	258.47	300.79	312.87	312.72	210.49	251.67	255.52
Enrollment Variance	1.00	1.01	1.05	1.03	1.03	1.02	1.01
Default	No	No	No	No	No	No	No
Sustainability Indicators:							
Total Margin	-7.13%	-7.26%	-2.38%	-1.17%	9.57%	14.10%	15.05%
Debt to Asset	2.34	2.12	2.04	N/A	N/A	N/A	N/A
Cash Flow	\$ 257,035	\$ (82,009)	\$ (72,259)	\$ 36,418	\$ 1,380,951	\$ 886,071	\$ 832,293
Debt Service Coverage Ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: This Exhibit was not required before 2017 and therefore there are only seven years of information reported.

SINGLE AUDIT SECTION

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

Independent Auditors' Report

The Honorable President and Members
of the Board of Trustees
Maria L. Varisco-Rogers Charter School
County of Essex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Maria L. Varisco-Roger Charter School (the "District"), in the County of Essex, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 8, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2023-001, that we consider a significant deficiency.

The Honorable President and Members
of the Board of Trustees
Maria L. Varisco-Rogers Charter School
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Report on Compliance and Other Matters

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

The Charter School's Response to the Finding

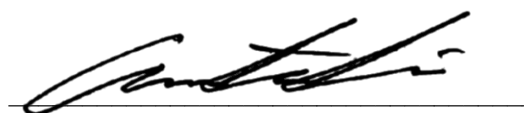
Government Auditing Standards requires the auditor to perform limited procedures on the Charter School's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Charter School's response was not subjected to the other auditing procedures 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 result of that testing, and not to provide an opinion on the effectiveness of the Charter School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 8, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

Report on Compliance for Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members
of the Board of Trustees
Maria L. Varisco-Rogers Charter School
County of Essex, New Jersey

Report on Compliance for Each Major Federal and State Program

Qualified and Unmodified Opinions

We have audited Maria L. Varisco-Roger Charter School's (the "Charter School's") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *New Jersey State Aid Compliance Supplement* that could have a direct and material effect on each of 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.

Qualified Opinion on the Education Stabilization Fund

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Charter School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Education Stabilization Fund for the fiscal year ended June 30, 2023.

Unmodified Opinion on Each of the Major State Programs

In our opinion, the Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the fiscal year ended June 30, 2023.

Basis for Qualified and Unmodified Opinions

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

The Honorable President and Members
of the Board of Trustees
Maria L. Varisco-Rogers Charter School
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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.

Matter Giving Rise to Qualified Opinion on Education Stabilization Fund

As described in the accompanying Schedule of Findings and Questioned Costs, the Charter School did not comply with requirements regarding allowable costs/cost principles, cash management, procurement and reporting for its Education Stabilization Fund as described in Finding 2023-002.

Compliance with such requirements is necessary, in our opinion, for the Charter School to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

The Honorable President and Members
of the Board of Trustees
Maria L. Varisco-Rogers Charter School
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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.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as Finding 2023-002. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Charter School's response to the noncompliance findings identified in our compliance audit 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 compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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

We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding 2023-002 to be a significant deficiency.

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.

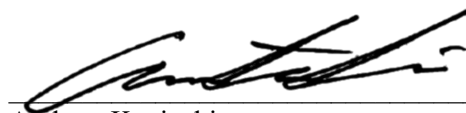
Government Auditing Standards requires the auditor to perform limited procedures on the Charter School's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of Findings and Questioned Costs. The Charter School's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Honorable President and Members
of the Board of Trustees
Maria L. Varisco-Rogers Charter School
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The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

November 8, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE PERIOD ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2022		Cash Received	Budgetary Expenditures	Adjustment of Prior Years' Balances	Balance June 30, 2023		
					Budgetary (Accounts Receivable)	Received				Budgetary (Accounts Receivable)	Amount Paid to Sub-recipients	
<u>Special Revenue Fund:</u>												
US Department of Education Passed-through State of New Jersey Department of Education												
<u>Special Education Cluster:</u>												
	84.027	IDEA-7735-23	7/1/22-9/30/23	\$ 156,539			\$ (81,172)		\$ (15,506)	\$ (96,678)		
	84.027	IDEA-7735-22	7/1/21-9/30/22	129,484		\$ 48,029			15,506			
	84.027	IDEA-7735-22	7/1/21-9/30/23	33,434			(14,754)			(14,754)		
	84.027	IDEA-7735-22	7/1/21-9/30/22	2,831			(2,831)			(2,831)		
Total Special Education Cluster						(63,535)	(98,757)			(114,263)		
<u>Elementary and Secondary Education Act:</u>												
Title I												
	84.010	IDEA-7735-23	7/1/22-9/30/23	609,218			(327,235)		(31,766)	(359,001)		
	84.010	IDEA-7735-22	7/1/21-9/30/22	380,834		288,984			31,766			
Total Title I						(320,750)	288,984			(359,001)		
Title II - Part A												
	84.367	IDEA-7735-23	7/1/22-9/30/23	41,451			(2,650)			(2,650)		
	84.367	IDEA-7735-22	7/1/21-9/30/22	5,000		1,250						
Total Title II - Part A						(1,250)	1,250					
Title III												
	84.365	ESEA-7735-23	7/1/22-9/30/23	100,730			(2,650)		(13,332)	(2,650)		
	84.365	ESEA-7735-22	7/1/21-9/30/22	77,562		68,542			13,332	(13,645)		
	84.365	ESEA-7735-21	7/1/20-9/30/21	76,647			(313)			(45,270)		
Total Title III						(127,144)	68,542	(313)		(58,915)		
Total Elementary and Secondary Education Act						(449,144)	358,776	(330,198)		(420,566)		
<u>Education Stabilization Fund:</u>												
COVID 19 - CARES Emergency Relief												
	84.425D	CARES-7735-20	3/13/20-9/30/22	299,173		12,931	545	(13,476)				
COVID 19 - CRRSA:												
	84.425D	S425D210027	3/13/20-9/30/23	1,211,448		(53,239)	97,391	(1,096,914)		(1,052,762)		
	84.425D	S425D210027	3/13/20-9/30/23	77,745			14,208	(14,208)				
COVID 19 - ARP:												
	84.425U	S425U210027	3/13/20-9/30/24	2,722,651			(5,243)			(5,243)		
Total Education Stabilization Fund						(40,308)	112,144	(1,129,841)		(1,058,005)		
Total U.S. Department of Education						(552,987)	518,949	(1,558,796)		(1,592,834)		
Total Special Revenue Fund						(552,987)	518,949	(1,558,796)		(1,592,834)		

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE PERIOD ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2022		Cash Received	Budgetary Expenditures	Adjustment of Prior Years' Balances	Balance June 30, 2023		
					Budgetary (Accounts Receivable)					Budgetary (Accounts Receivable)	Amount Paid to Sub-recipients	
Enterprise Fund:												
U.S. Department of Agriculture:												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
National School Lunch Program	10.555	N/A	7/1/22-6/30/23	\$ 320,754	\$ 264,741	\$ (320,754)	\$ (56,013)					
Healthy Hunger-Free Kids Act	10.555	N/A	7/1/22-6/30/23	6,235	5,147	(6,235)	(1,088)					
Food Distribution Program	10.555	N/A	7/1/22-6/30/23	13,951	13,951	(13,951)						
School Breakfast Program	10.553	N/A	7/1/22-6/30/23	106,712	89,296	(106,712)	(17,416)					
National School Snack Program	10.555	N/A	7/1/22-6/30/23	11,164	9,119	(11,164)	(2,045)					
COVID-19 Supply Chain Assistance Funding:												
1st/2nd Round	10.555	N/A	1/1/22-9/30/23	30,693	30,693	(30,693)						
3rd Round	10.555	N/A	10/1/22-9/30/24	9,437	9,437	(9,437)						
COVID-19 Seamless Summer Option:												
Lunch	10.555	N/A	7/1/21-6/30/22	330,245	23,324	(33,324)						
Breakfast	10.553	N/A	7/1/21-6/30/22	126,816	8,552	(8,552)						
Total Child Nutrition Cluster					454,260	(498,946)	(76,562)					
Fresh Fruits and Vegetables Program	10.582	N/A	7/1/22-6/30/23	33,655	29,062	(33,655)	(4,593)					
Fresh Fruits and Vegetables Program	10.582	N/A	7/1/21-6/30/22	34,645	4,590	(4,590)						
Total Fresh Fruits and Vegetables Program					33,652	(33,655)	(4,593)					
Total Enterprise Fund					487,912	(532,601)	(81,155)					
Total Federal Awards					\$ 1,006,861	\$ (2,091,397)	\$ - 0 -				\$ - 0 -	

N/A - Not Available/Applicable

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE PERIOD ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Due to Grantor/ (Budgetary Receivable)	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2023		MEMO
								GAAP Unearned Revenue/ (Receivable)	Unearned Revenue/ (Budgetary Receivable)	
State Department of Education:										
General Fund:										
Equalization Aid	23-495-034-5121-078	7/1/22-6/30/23	\$8,397,380		\$ 8,397,380	\$ (8,397,380)			\$	8,397,380
Security Aid	23-495-034-5121-084	7/1/22-6/30/23	318,922		318,922	(318,922)				318,922
Special Education Aid	23-495-034-5121-089	7/1/22-6/30/23	298,309		298,309	(298,309)				298,309
Non-Public Aid	N/A	7/1/22-6/30/23	30,825		30,825	(30,825)				30,825
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	304,912		209,127	(304,912)		\$ (95,785)	\$ (95,785)	304,912
Equalization Aid	22-495-034-5121-078	7/1/22-6/30/22	7,324,270	\$ 24,032			\$ 24,032			7,324,270
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/22-6/30/22	278,192	(88,992)	88,992					278,192
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	1,377,129		1,377,129	(1,377,129)				1,377,129
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	366,788		366,788	(366,788)				366,788
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	881		881	(881)				881
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	19,106		19,106	(19,106)				19,106
T total General Fund				(64,960)	11,107,459	(11,114,252)	24,032	(95,785)	(95,785)	18,716,714
Special Revenue Fund:										
N.J. School Development Authority Grants										
Emergent and Capital Maintenance Needs	N/A	11/19/21-6/30/23	85,959		85,959	(300)		85,659	85,659	300
T total Special Revenue Fund					85,959	(300)		85,659	85,659	300
Enterprise Fund:										
School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	10,095		8,283	(10,095)		(1,812)	(1,812)	10,095
School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	1,769		1,461	(1,769)		(308)	(308)	1,769
After the Bell Program	23-100-010-3350-023	7/1/22-6/30/23	4,217		3,530	(4,217)		(687)	(687)	4,217
Seamless Summer Option - Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	7,779		537					7,779
T total Enterprise Fund				(537)	13,811	(16,081)		(2,807)	(2,807)	23,860
Total State Awards Subject to Single Audit Determination				\$ (65,497)	\$11,207,229	(11,130,633)	\$ 24,032	\$ (12,933)	\$ (12,933)	\$ 18,740,874
Less: State Awards Not Subject to Single Audit Major Program Determination										
On-Behalf TPAF Pension System Contributions:										
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	(1,377,129)			1,377,129				
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	(366,788)			366,788				
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	(881)			881				
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	(19,106)			19,106				
Subtotal - On-Behalf TPAF Pension System Contributions						1,763,904				
						\$ (9,366,729)				

N/A - Not Available

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards include federal and state grant activity of the Board of Trustees, Maria L. Varisco-Rogers Charter School under programs of the federal and state governments for the fiscal year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Charter School, they are not intended to and do not present the financial position, changes in net position or cash flows of the Charter School.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis.

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

The net adjustment to reconcile revenue from the budgetary basis to the GAAP basis is \$-0- for the General Fund and \$-0- for Special Revenue Fund. Revenue from Federal and State awards is reported on the Charter School's basic financial statements on a GAAP basis as presented below:

	<u>Federal Sources</u>	<u>State Sources</u>	<u>Total</u>
General Fund		\$ 11,114,252	\$ 11,114,252
Special Revenue Fund	\$ 1,558,796	300	1,559,096
Enterprise Fund	<u>608,096</u>	<u>16,081</u>	<u>624,177</u>
Total Financial Assistance	<u>\$ 2,166,892</u>	<u>\$ 11,130,633</u>	<u>\$ 13,297,525</u>

NOTE 5. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2023. Revenues and expenditures reported under the Food Distribution Program represent current year value receive and current year distributions respectively.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- A significant deficiency was disclosed during the audit of the financial statements and is reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Charter School, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There was a significant deficiency in internal control over major federal programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey's OMB Circular 15-08* as Finding 2023-002. No material weaknesses were reported.
- The auditor's report on compliance for the major federal and state programs for the Charter School expresses a qualified opinion on the Charter School's compliance for the Education Stabilization Fund federal program and an unmodified opinion on each of the state programs.
- Audit finding 2023-002 which is required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance is reported on this schedule.
- The Charter School's major federal and state programs for the current period consisted of the following Federal and State awards:

<u>Program Title</u>	<u>Assistance Listing/ State Grant Numbers</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal Programs:</u>				
Education Stabilization Fund:				
COVID-19:				
CARES Emergency Relief	84.425D	3/13/20-9/30/22	\$ 299,173	\$ 13,476
COVID 19 - CRRSA:				
ESSER II	84.425D	3/13/20-9/30/23	1,211,448	1,096,914
Learning Acceleration	84.425D	3/13/20-9/30/23	77,745	14,208
COVID 19 - ARP:				
ESSER III	84.425U	3/13/20-9/30/24	2,722,651	5,243
<u>State Programs:</u>				
Equalization Aid	23-495-034-5121-078	7/1/22-6/30/23	\$ 8,397,380	\$ 8,397,380
Special Education Aid	23-495-034-5121-089	7/1/22-6/30/23	298,309	298,309
Security Aid	23-495-034-5121-084	7/1/22-6/30/23	318,922	318,922

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Summary of Auditors' Results: (Cont'd)

- The threshold used for distinguishing between state and federal Type A and Type B programs was \$750,000.
- The Charter School was determined not to be a “low risk” auditee for both Federal and State Programs.

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

The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2023-001 - Segregation of Duties

Criteria

The concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Condition

The Charter School does not maintain an adequate segregation of duties with respect to the recording and treasury functions.

The Finance Department of the Charter School is responsible for preparation of purchase orders, recording of disbursements, payroll disbursements, bank reconciliations, and general ledger adjusting journal entries. These processes can be performed by one person with limited oversight review.

Cause

This is due, in part, to the limited number of personnel of the Charter School.

Effect or Potential Effect

Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time.

Recommendation

It is recommended that the segregation of duties for the Finance Department of the Charter School be reviewed to improve internal controls and ensure that the preparation of purchase orders, recording of disbursements, payroll disbursements, processing of payroll, bank reconciliations, and general ledger adjusting journal entries are not performed by one person.

Management's Response

Management will ensure that the segregation of duties for the Finance Department of the Charter School be reviewed to improve internal controls.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Findings and Questioned Costs for Federal Awards:

Finding 2023-002 - U.S. Department of Education – Passed-through N.J. Department of Education – Education Stabilization Fund, IDEA and Title I – Allowable Costs/Cost Principles, Cash Management, Procurement and Reporting Compliance Requirements and Significant Deficiency

Criteria

The District is required to adhere to Part 200 of the Uniform Guidance. The following sections of the Uniform Guidance were not adhered to: 2 C.F.R. 200.302(B)(6)-(7) - Financial Management, 200.400-200.476 - Cost Principles; 200.430 - Compensation – personal services; 200.214 regarding suspension and debarment; 200.317-327 - Procurement standards, 200.113 - Mandatory Disclosures; 200.305 - Federal payment as well as Office of Grants Management, General Federal Entitlement Grant Guidance and Policies and Procedures for Reimbursement of Federal and Other Grant Expenditures. Additionally, state requirements and statutes were not adhered to – N.J.S.A. 18A:27-1 Appointment of teaching staff members; vote required; All consolidated grant applications specifically with respect to the Submit tab for Board Authorization in the Electronic Web-Enabled Grant (EWEG) system. That grant funds for the Education Stabilization Fund are spent in accordance with the requirements of the grant program, federal law, and applicable regulations.

Condition

The New Jersey Department of Education issued a collaborative monitoring report in June 2023 which included the Title I grant and the CRRSA ESSER II grants under the Education Stabilization Fund. Their report disclosed certain programmatic findings as well as certain administrative/financial findings. Their report revealed that the Charter School did not have formal written procedures which address Uniform Grant Guidance requirements including the determination of allowability of costs in accordance with Federal cost principles and the terms and conditions of the Federal award and the mandatory disclosure of all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Also, the Board meeting minutes did not include the Charter School approvals of grant applications and/or budget amendments for certain grants including the dollar amount of the federal award and accept the funds upon subsequent approval of the applications by the New Jersey Department of Education. In addition, there was no documentation available to support that staff salaries, in whole or in part, charged to CRRSA ESSER II and wages incurred and charged to Title I and CRRSA ESSER Learning Acceleration for staff members who worked afterschool with students were approved by the Charter School Board of Trustees. Additionally, the required verification to determine whether vendors were debarred or suspended for purchase orders in amounts equal to or greater than \$25,000 was not performed nor were procedures related to this verification implemented. Also, reimbursement requests for federal grants were not submitted on a monthly or at least a quarterly basis. Finally, our audit revealed that budgeted amounts recorded in the Charter School's financial accounting software for the IDEA and CRRSA ESSER II funds did not accurately reflect the grant award or unexpended carryover funds.

Cause

This is due, in part, to the limited number of personnel of the Charter School and that the personnel responsible for the federal IDEA, Title I and Education Stabilization Fund grants did not obtain sufficient training and adequate internal controls are not in place to ensure compliance.

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Findings and Questioned Costs for Federal Awards: (Cont'd)

Finding 2023-002 - U.S. Department of Education – Passed-through N.J. Department of Education – Education Stabilization Fund, IDEA and Title I – Allowable Costs/Cost Principles, Procurement and Reporting Compliance Requirements and Significant Deficiency (Cont'd)

Effect or Potential Effect

The Charter School was not in compliance with the applicable Uniform Guidance requirements, state requirements and statutes regarding the IDEA, Title I, and Educational Stabilization Fund grants.

Recommendation

It is recommended that: 1) The District implement formal written procedures which address Uniform Guidance grant requirements including the determination of allowability of costs in accordance with Federal cost principles and the terms and conditions of the Federal award and the mandatory disclosure of all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award; 2) The Board meeting minutes include approvals of grant applications and/or budget amendments for federal grants including the dollar amount of the federal award and accept the funds upon subsequent approval of the applications by the New Jersey Department of Education. 3) Ensure that Board approval is obtained for staff members prior to their performance of federal grant funded activities and that Board minutes contain details such as the grant name and related account number, employee name, position and an hourly rate/salary; 4) procedures be implemented to ensure that the required verification to determine whether vendors were debarred or suspended for purchase orders in amounts equal to or greater than \$25,000 is performed and that documentation of the verification is maintained on file; 5) reimbursement requests for federal grants and submitted on a monthly or at least a quarterly basis and 6) the District ensure that budgeted amounts and unexpended carryover funds are properly recorded in the Charter School's financial accounting software for the IDEA and CRRSA ESSER II funds.

Management's Response

Charter School personnel will ensure that a corrective action plan is prepared and implemented to address the recommendations for these federal grants.

Findings and Questioned Costs for State Awards:

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

MARIA L. VARISCO-ROGERS CHARTER SCHOOL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Status of Prior Year Findings:

The prior year audit finding 2022-001 regarding segregation of duties was not resolved due to a lack of qualified applicants to fill open positions in the Finance Department, and is included as finding 2023-001.