WHISMAN GIORDANO
CERTIFIED PUBLIC ACCOUNTANTS

Building Extraordinary Relationships

Single Audit Report

THOMAS A. EDISON CHARTER SCHOOL
[A Component Unit of the State of Delaware]
Wilmington, Delaware

Years Ended June 30, 2020 and 2019

THOMAS A. EDISON CHARTER SCHOOL
[A Component Unit of the State of Delaware]

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WHISMAN GIORDANO
CERTIFIED PUBLIC ACCOUNTANTS

Building Extraordinary Relationships

Report of Independent Auditor

To Members of the School Board
Thomas A. Edison Charter School
Wilmington, Delaware

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Thomas A. Edison Charter School ["the School"], Wilmington, Delaware [a component unit of the State of Delaware] as of and for years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School's preparation and fair presentation of the financial statements 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 School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Thomas A. Edison Charter School as of June 30, 2020 and 2019, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Members of the School Board
Thomas A. Edison Charter School

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require a schedule of budgetary comparison information, a schedule of proportionate share of net pension and OPEB liabilities, and a schedule of pension and OPEB contributions, reflected on pages 28 to 33, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The School has omitted the management's discussion and analysis section that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Thomas A. Edison Charter School's financial statements. The supplementary information reflected on pages 34 and 35 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. Such 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 supplementary information reflected on pages 34 and 35 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2020 on our consideration of Thomas A. Edison Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering Thomas A. Edison Charter School's internal control over financial reporting and compliance.

Restriction on Use

Our report is intended solely for the information and use of management, the Finance Committee, the School Board, others within the School, Delaware Department of Education, Office of the Governor, Office of the Controller General, Office of the Attorney General, Office of Management and Budget, Secretary of Finance, Office of Auditor of Accounts, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public record, and its distribution is not limited.

Whisman Giordano & Associates, LLC

Newark, Delaware
September 21, 2020

Basic Financial Statements Section

THOMAS A. EDISON CHARTER SCHOOL
STATEMENTS OF NET POSITION
As of June 30, 2020 AND 2019

	2020		2019	
	Primary Government	Component Unit	Primary Government	Component Unit
	Governmental Activities	Foundation	Governmental Activities	Foundation
ASSETS				
Current assets:				
Cash and equivalents	$ 3,279,912	$ 781,415	$ 3,149,518	$ 879,060
Receivables-other	6,015	-	11,263	-
Due from other governments	12,020	2,400	9,998	-
Replacement reserve:				
Cash and equivalents	-	21,556	-	21,518
Due from primary government	-	-	820	-
Total current assets	3,297,947	805,371	3,171,599	900,578
Noncurrent assets:				
Capital assets, net of accumulated depreciation	502,446	4,000,785	497,652	4,172,459
Total noncurrent assets	502,446	4,000,785	497,652	4,172,459
TOTAL ASSETS	3,800,393	4,806,156	3,669,251	5,073,037
DEFERRED OUTFLOWS OF RESOURCES				
Deferred contributions and changes in proportion related to pension activity	473,945	-	992,162	-
Deferred contributions related to other postemployment benefits	1,235,189	-	803,896	-
Total deferred outflows of resources	1,709,134	-	1,796,058	-
LIABILITIES				
Current liabilities:				
Accounts payable	51,834	25,060	80,191	-
Accrued salaries and related costs	364,601	-	330,462	-
Due to component unit	2,400	-	-	820
Mortgage note payable, current portion	-	164,445	-	264,029
Total current liabilities	418,835	189,505	410,653	264,849
Noncurrent liabilities:				
Compensated absences liability	163,406	-	172,858	-
Net pension liability	2,965,834	-	2,531,620	-
Net other postemployment benefits liability	14,776,634	-	15,686,338	-
Mortgage note payable, net of current portion	-	-	-	164,445
Total noncurrent liabilities	17,905,874	-	18,390,816	164,445
TOTAL LIABILITIES	18,324,709	189,505	18,801,469	429,294
DEFERRED INFLOWS OF RESOURCES				
Deferred investment earnings related to pension activity	254,627	-	144,768	-
Deferred postemployment benefits	2,358,667	-	1,808,851	-
Total deferred inflows of resources	2,613,294	-	1,953,619	-
NET POSITION (LIABILITY)				
Net investment in capital assets	502,446	3,836,340	497,652	3,743,985
Restricted for specific programs	258,328	-	271,654	-
Unrestricted	2,457,378	780,311	2,316,434	899,758
Pension and postemployment commitment	(18,646,628)	-	(18,375,519)	-
TOTAL NET POSITION (LIABILITY)	$ (15,428,476)	$ 4,616,651	$ (15,289,779)	$ 4,643,743

The accompanying notes are an integral part of the basic financial statements

THOMAS A. EDISON CHARTER SCHOOL
STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

		Program Revenues			Net (Expense) Revenue & Changes in Net Position — Governmental Activities	
Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
GOVERNMENTAL ACTIVITIES						
Instructional services	$ 8,497,724	$ 4,326	$ 1,800,842	$ -	$ (6,692,556)	$ -
Supporting services:						
Operation and maintenance of facilities	749,167	-	-	-	(749,167)	-
Transportation	597,111	-	541,037	-	(56,074)	-
Food services	2,496	-	-	-	(2,496)	-
Depreciation-unallocated	70,670	-	-	-	(70,670)	-
TOTAL PRIMARY GOVERNMENT	9,917,168	4,326	2,341,879	-	(7,570,963)	-
DISCRETELY PRESENTED COMPONENT UNIT						
Foundation	320,755	292,922	100	-	-	(27,733)
TOTAL PRIMARY GOVERNMENT AND COMPONENT UNIT	$10,237,923	$ 297,248	$ 2,341,979	$ -	$ (7,570,963)	$ (27,733)
GENERAL REVENUES AND TRANSFERS						
Charges to school districts					3,106,906	-
State funding not restricted to specific purposes					4,143,118	-
Earnings on cash and equivalents					85,639	641
Miscellaneous revenues					14,039	-
Christina School District settlement					82,564	-
Total general revenues and transfers					7,432,266	641
CHANGES IN NET POSITION					(138,697)	(27,092)
NET POSITION (LIABILITY)						
Beginning of year					(15,289,779)	4,643,743
End of year					$ (15,428,476)	$ 4,616,651

The accompanying notes are an integral part of the basic financial statements

THOMAS A. EDISON CHARTER SCHOOL
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

		Program Revenues			Net (Expense) Revenue & Changes in Net Position — Governmental Activities	
Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
GOVERNMENTAL ACTIVITIES						
Instructional services	$ 7,343,687	$ 13,624	$ 1,651,473	$ -	$ (5,678,590)	$ -
Supporting services:						
Operation and maintenance of facilities	1,173,034	-	-	-	(1,173,034)	-
Transportation	683,651	-	554,450	-	(129,201)	-
Food services	253	-	-	-	(253)	-
Depreciation-unallocated	67,881	-	-	-	(67,881)	-
TOTAL PRIMARY GOVERNMENT	9,268,506	13,624	2,205,923	-	(7,048,959)	-
DISCRETELY PRESENTED COMPONENT UNIT						
Foundation	317,620	467,922	65	-	-	150,367
TOTAL PRIMARY GOVERNMENT AND COMPONENT UNIT	$ 9,586,126	$ 481,546	$ 2,205,988	$ -	$ (7,048,959)	$ 150,367
GENERAL REVENUES AND TRANSFERS						
Charges to school districts					3,033,717	-
State funding not restricted to specific purposes					4,078,638	-
Earnings on cash and equivalents					53,285	664
Miscellaneous revenues					47,686	-
Christina School District settlement					85,262	-
Total general revenues and transfers					7,298,588	664
CHANGES IN NET POSITION					249,629	151,031
NET POSITION (LIABILITY)						
Beginning of year					(15,539,408)	4,492,712
End of year					$ (15,289,779)	$ 4,643,743

The accompanying notes are an integral part of the basic financial statements

THOMAS A. EDISON CHARTER SCHOOL
BALANCE SHEETS-GOVERNMENTAL FUNDS
As of June 30, 2020 and 2019

	Governmental Funds	
	2020	2019
ASSETS		
Cash and equivalents	$ 3,279,912	$ 3,149,518
Receivables-other	6,015	11,263
Due from other governments	12,020	9,998
Due from component unit	-	820
TOTAL ASSETS	$ 3,297,947	$ 3,171,599
LIABILITIES		
Accounts payable	$ 51,834	$ 80,191
Accrued salaries and related costs	364,601	330,462
Due to component unit	2,400	-
Total liabilities	418,835	410,653
FUND BALANCES		
Restricted-specific programs	258,328	271,654
Committed-encumbered	79,651	295,096
Unassigned	2,541,133	2,194,196
Total fund balances	2,879,112	2,760,946
TOTAL LIABILITIES AND FUND BALANCES	$ 3,297,947	$ 3,171,599

The accompanying notes are an integral
part of the basic financial statements

THOMAS A. EDISON CHARTER SCHOOL
RECONCILIATION OF THE BALANCE SHEETS OF GOVERNMENTAL FUNDS
TO THE STATEMENTS OF NET POSITION
As of June 30, 2020 and 2019

	Governmental Funds	
	2020	2019
Amounts reported for governmental activities in the statements of net position are different because:		
Fund balances-Total governmental funds	$ 2,879,112	$ 2,760,946
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements. At June 30, 2020 and 2019, the total cost of capital assets is $2,103,363 and $2,027,900, and related accumulated depreciation is $1,600,917 and $1,530,248, respectively.	502,446	497,652
Compensated absences are not due and payable for the period reported, and, are therefore not reported in the fund financial statements.	(163,406)	(172,858)
Some liabilities, including net pension and net OPEB obligations, are not due and payable in the current period and, are therefore not reported in the fund financial statements:		
Net pension liability	(2,965,834)	(2,531,620)
Net other postemployment benefits [OPEB] liability	(14,776,634)	(15,686,338)
Deferred outflows and inflows of resources related to pension and OPEB activities are applicable to future periods and, are therefore not reported in the fund financial statements:		
Deferred outflows of resources related to pension activity of $473,945 and $992,162 consist of ($10,173) and $524,535 of deferred outflows of resources pension expense and $484,118 and $467,627 of deferred outflows of the 2020 and 2019 employer contributions related to the pension, respectively.	473,945	992,162
Deferred inflows of resources related to pension activity.	(254,627)	(144,768)
Deferred outflows of resources related to OPEB activity of $1,235,189 and $803,896 consist of $728,726 and $337,903 of deferred outflows of resources OPEB expense and $506,463 and $465,993 of deferred outflows for the 2020 and 2019 employer contributions related to the OPEB, respectively.	1,235,189	803,896
Deferred inflows of resources related to OPEB activity.	(2,358,667)	(1,808,851)
Net position (liability)-Governmental activities	$ (15,428,476)	$ (15,289,779)

The accompanying notes are an integral part of the basic financial statements

	Governmental Funds	
	2020	2019
REVENUES		
Charges to school districts	$ 3,106,906	$ 3,033,717
State funding-allocation	4,684,155	4,633,088
State funding-other	736,938	568,410
Federal funding	1,063,904	1,083,063
Earnings on cash and equivalents	85,639	53,285
Program services fees	4,326	13,624
Miscellaneous revenues	14,039	47,686
Total revenues	9,695,907	9,432,873
EXPENDITURES		
Current:		
Instructional services	7,772,096	6,994,328
Supporting services:		
Operation and maintenance of facilities	749,167	1,173,034
Transportation	597,111	683,651
Food services	2,496	253
Capital outlay	539,435	97,690
Total expenditures	9,660,305	8,948,956
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	35,602	483,917
OTHER FINANCING SOURCES (USES)		
Christina School District settlement	82,564	85,262
Total other financing sources	82,564	85,262
NET CHANGE IN FUND BALANCES	118,166	569,179
FUND BALANCES		
Beginning of year	2,760,946	2,191,767
End of year	$ 2,879,112	$ 2,760,946

The accompanying notes are an integral
part of the basic financial statements

	Governmental Funds	
	2020	2019
Amounts reported for governmental activities in the statements of activities are different because:		
Net change in fund balances-Total governmental funds	$ 118,166	$ 569,179
In the financial statements of the governmental funds capital outlay is reported as expenditures. However, in the statement of activities, assets with an initial, individual cost of $5,000 or more are capitalized and the cost is allocated over the estimated useful lives of the captial assets and reported as depreciation expense. The following table reflects the amount by which depreciation expense either exceeds or is less than capital outlay capitalized as capital assets for the periods presented.		

Description	2020	2019		
Capital assets	75,464	6,238		
Depreciation expense	(70,670)	(67,881)	4,794	(61,643)

In the statement of activities, certain operating expenses such as compensated absences [vacation] are measured by the amounts earned during the period. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used [essentially, amounts actually paid]. Compensated absences liability decreased/(increased) for the periods presented.	9,452	(45,363)
Governmental funds report School pension and OPEB contributions as expenditures. However, in the statement of activities, the cost of pension and OPEB benefits earned net of contributions is reported as an expense.		

Description	2020	2019		
School contributions	$ 990,581	$ 933,622		
Cost of benefits earned net of contributions (expense)	(1,261,690)	(1,146,166)	(271,109)	(212,544)
Change in net position-Governmental activities			$ (138,697)	$ 249,629

The accompanying notes are an integral part of the basic financial statements

	Student Activities Fund	
	2020	2019
ASSETS		
Cash and equivalents	$ 10,593	$ 8,643
LIABILITIES		
Due to student and other groups	$ 10,593	$ 8,643

The accompanying notes are an integral
part of the basic financial statements

NOTE 1 - NATURE OF THE GOVERNMENT

Thomas A. Edison Charter School, located within the limits of the City of Wilmington, Delaware, is organized under Title 14, Chapter 5 of the State of Delaware Code. The Charter School Law grants authority for independent public schools to be created for the purpose of increasing choices for the parents of public school students and academic performance. A charter school operates as an independent public school governed by a Board of Directors. In Delaware, charter schools have the same basic standing as a school district with some exceptions - most notably, they cannot levy taxes. To encourage innovation, charter schools operate free from many State laws and regulations. Charter schools are funded similarly to other public schools in that state and local funds are allocated for each enrolled student. State funds are not provided for charter school facilities. Charter schools may charge for selected additional services consistent with those permitted by the school districts. Because charter schools receive local, state, and federal funds, they may not charge tuition.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Thomas A. Edison Charter School [the "School"] have been prepared in conformity with U.S. generally accepted accounting principles as applied to local governmental units. The GASB [Governmental Accounting Standards Board] is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the School are as follows:

Reporting Entity

The School is the primary government and is considered a component unit of the State of Delaware. A component unit, although a legally separate entity, is, in substance, part of the operation of the State of Delaware. The School has one component unit which it has included in the reporting entity because of the significance of its operational and financial relationship to the School.

Discretely Presented Component Unit

On November 12, 1997, Thomas A. Edison Charter School of Wilmington, Inc. [the "Foundation"] was incorporated as a 501(c)(3) nonprofit corporation for the purpose of constructing a school from grades K through 8 by substantially improving an existing facility, which was placed in service on July 1, 2000. The Foundation's primary role is to assist the School in carrying out its mission. The Foundation is a discretely presented component unit because of the significance of its financial relationship to the School.

Government-Wide and Fund Financial Statements

The government-wide financial statements [statement of net position and statement of activities] report financial information on all of the nonfiduciary activities of the School. For the most part, the effects of interfund activity have been removed from the financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct *expenses* are those that are clearly identifiable with a specific program. *Program revenues* include charges to students or other third parties who purchase or directly benefit from the goods and services provided, and grants and contributions that are restricted to meeting the operating or capital requirements of a function.

Separate financial statements are provided for both governmental funds and the fiduciary fund, even though the fiduciary fund is excluded from the government-wide financial statements. Major governmental funds are reported as separate columns in fund financial statements.

Measurement Focus, Accounting Basis, and Financial Statement Presentation

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the financial statements of the fiduciary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Charges to school districts are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all of the eligibility requirements imposed by the provider are met.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

Measurement Focus, Accounting Basis, and Financial Statement Presentation [continued]

The **governmental fund financial statements** are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the School generally considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, and postemployment healthcare benefits, are recorded only when payment is due.

Charges to school districts, contributions, and interest earned associated with the fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the fiscal year. Generally, all other revenue items are considered to be measurable and available only when the School receives cash.

The School reports the following major governmental fund:

- The ***general fund*** is the School's primary operating fund. It accounts for all financial resources of the School, except those required to be accounted for in another fund.

Additionally, the School reports the following fund type:

- The ***student activities agency fund*** [a fiduciary fund] accounts for assets held on behalf of student groups and other organizations. Since the agency fund is custodial in nature, the fund does not present results of operations.

Amounts reported as program revenues include 1) charges to students for special fees, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Use of Estimates

Preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses or expenditures during the reporting period. Accordingly, the actual results may differ from those estimates.

Cash and Equivalents

The School's cash and equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Interfund Balances

Activities between funds that are representative of lending arrangements outstanding at the end of the fiscal year are referred to as either "interfund balances" [current portion] or "interfund advances" [noncurrent]. The School has no such activities for the years presented.

Advances between the funds reported in the fund financial statements, when present, are offset by assigned fund balances in the governmental funds to indicate that the advances are not available for appropriation and are not expendable available financial resources.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

Capital Assets

Primary Government-Capital assets, which include leasehold improvements, and furniture and equipment, are reported in the government-wide financial statements. The School defines a capital asset as an asset with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair value as of the date of donation. The cost of normal maintenance and repairs that do not add to the value or materially extend the life of the capital asset is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed; however, the interest cost incurred during the construction is not capitalized.

Leasehold improvements, and furniture and equipment are depreciated using the straight-line method over their estimated useful lives ranging between 5 to 10 years.

Component Unit-Capital assets are stated at cost and consist mostly of leasehold improvements to the school facility. The cost of maintenance and repairs are charged to expense as incurred; the costs of renewals and betterments are capitalized. When capital assets are sold or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts, and any gain or loss is included in the statement of activities. The component unit defines a capital asset as an asset with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year.

The leasehold improvements are depreciated using the straight-line method based on the estimated useful life of the improvements ranging from 15 to 39 years.

Impairment of Long-Lived Assets

In accordance with the Financial Accounting Standards Board statement on *Accounting for the Impairment or Disposal of Long-Lived Assets*, the entities review their capital assets for impairment whenever events or changes in circumstances indicate that the carrying value of a capital asset may not be recoverable. If the fair value is less than the carrying amount of the capital asset, an impairment loss is recognized for the difference. No impairment loss is recognized for the years presented.

Mortgage Financing Costs

Component unit mortgage financing costs of $108,263 are being amortized over the life of the mortgage note [20 years] using the straight-line method. At June 30, 2020 and 2019, the accumulated amortization is $106,010 and $100,596 [Refer to Note 7].

Compensated Absences Liability

Vacation pay, plus related payroll taxes, is accrued when incurred in the government-wide financial statements. However, in the governmental funds, a liability is reported when the amount has matured, for example, as a result of an employee’s resignation or retirement.

Vacation-Twelve-month employees may accumulate up to 42 days of vacation. Days in excess of 42 are dropped as of July 1 of each year. Employees are paid for unused vacation upon termination, retirement, etc. at the current rate of pay.

Sick Leave-Sick leave is earned as follows: 10 days for ten-month employees, 11 days for eleven-month employees, and 12 days for twelve-month employees. Unused sick days shall be accumulated to the employee’s credit without limit. The compensation for accumulated sick days is paid when an employee [a] qualifies and applies for State pension is paid at a rate of 50% of the per diem rate of pay not to exceed 90 days or [b] in the case of death, payment is made to the employee’s estate at a rate of one day’s pay for each day of unused sick leave not to exceed 90 days.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

Deferred Outflows and Inflows of Resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources [expense/expenditure] until that period. The School has two items that qualify for reporting in this category. The first item is deferred contributions and changes in proportion related to the School's pension activity, and the other item refers to its OPEB activity. The amounts are reported in the statements of net position and deferred and amortized over periods of five to six years.

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources [revenue] until that time. The School has two items that qualify for reporting in this category: the first item is the deferred investment earnings related to pension activity and the other item relates to OPEB activity. These items are reported only in the statements of net position. These amounts are deferred and recognized as an inflow from resources in the period that the amounts become available.

Net Position and Fund Equity

The net position, in the government-wide financial statements, is reported in three categories: net position invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The net position invested in capital assets represents the capital assets less accumulated depreciation less outstanding principal of the related debt. The net position invested in capital assets does not include any unspent proceeds of capital debt. The restricted net position represents net assets restricted by parties outside of the School [such as creditors, grantors, contributors, laws, and regulations of other governments] and includes unspent awards not considered refundable advances. All other net position is considered unrestricted.

The School follows the requirements of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for its governmental funds. Under the GASB Statement, fund balances are required to be reported according to the following classifications:

- **Non-spendable fund balance-**Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes prepaid amounts, inventories, assets held for sale, and long-term receivables.

- **Restricted fund balance-**Constraints placed on the use of these amounts are either externally imposed by creditors [such as debt covenants], grantors, contributors, or other governments; or imposed by law through constitutional provisions or enabling legislation.

- **Committed fund balance-**Amounts that can only be used for specific purposes because of a formal action [resolution] by the School's highest level of decision-making authority: The School Board.

- **Assigned fund balance-**Amounts that are constrained by the School's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the School Board, or by an official to whom that authority has been given. With the exception of the general fund, this is the residual fund balance classification for all the governmental funds with positive balances.

- **Unassigned fund balance-**This is the residual classification of the general fund. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When both restricted and unrestricted resources are available for use, it is the policy of the School to use restricted resources first, then unrestricted resources as they are needed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

Encumbrance Accounting

Encumbrance accounting is employed by the School's governmental funds. Encumbrances [e.g., purchase orders and contracts] outstanding at the year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments are re-appropriated and honored during the subsequent year. At June 30, 2020 and 2019, encumbrances outstanding are $79,651 and $295,096, respectively.

Accounting System

In accordance with the State of Delaware Charter Law, the School is required to maintain its accounting system with the Delaware Division of Accounting and as such the School uses the State codes and code structure identified in the State's *Budget and Accounting Policy Manual*.

Income Tax Status

The **School** qualifies as a tax-exempt organization under Section 170 of the Internal Revenue Code and is not liable for federal or state income taxes.

The **component unit** is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Service [IRS] Code. However, income from certain activities not directly related to the component unit's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the component unit qualifies for the charitable contribution deduction under IRS Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation.

The Financial Accounting Standards Board on statements pertaining to the *Accounting for Uncertainty in Income Taxes* recognized in the financial statements prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return. The federal returns of the component unit for the prior three fiscal years are subject to examination by the IRS, generally for three years after the returns are filed. The tax positions taken for these years are based on clear and unambiguous tax law; management has a high level of confidence in the technical merits of the positions taken.

NOTE 3 – CASH AND EQUIVALENTS

The School's deposits [cash and equivalents] consist of the following:

Deposits Held by the State of Delaware

At June 30, 2020 and 2019, the School has cash and equivalents of $3,290,505 and $3,158,161, respectively consisting of balances from the general fund of $3,279,912 and $3,149,518 and agency fund of $10,593 and $8,643, respectively. These deposits are part of the State investment pool controlled and administered by the State Treasurer's Office in Dover, Delaware, and all investment decisions are made by the same State office. The deposits are considered highly liquid and available for immediate use and, thus, are reflected as cash equivalents in the financial statements. Deposits held by the State's investment pool, an internal investment pool, are specifically identified for the School; however, the credit risk cannot be categorized for these deposits. Credit risk for such deposits depends on the financial stability of the State of Delaware. The State reports that its investment securities are stated at quoted market prices, except that investment securities with remaining maturity at the time of purchase [one year or less] are stated at cost or amortized cost.

Deposits Held by Financial Institutions

At June 30, 2020 and 2019, the reported amount of deposits maintained by the **component unit** outside of the State Treasurer's Office is $802,971 [book values of $781,415 and $21,556] and $900,578 [book values of $879,060 and $21,518], respectively. The deposits held by the one financial institution totaling $802,971 and $900,578 were in excess of the Federal Deposit Insurance Corporation [FDIC] limits in the amount of $552,971 and $650,578 respectively, and therefore, any excess [or non-coverage] of FDIC is exposed to custodial credit risk. The custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned to the Organization.

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Amounts due from other governments represent receivables for revenues earned by the School. At June 30, the intergovernmental receivables are:

Description	2020	2019
Passed through the State of Delaware:		
Local school districts	$ -	$ -
Federal government-Department of Agriculture	-	-
Federal government-Department of Education	12,020	9,998
Total amount due from other governments	$ 12,020	$ 9,998
Component unit:		
Delaware Division of Social Services	$ -	$ -

NOTE 5 - CAPITAL ASSETS

The following tables summarize the annual changes to the capital assets:

	As of and Year Ended June 30, 2020			
Description	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets, being depreciated:				
Leasehold improvements	$ 899,060	$ -	$ -	$ 899,060
Furniture and equipment	1,128,840	75,464	-	1,204,304
Totals	2,027,900	75,464	-	2,103,364
Less accumulated depreciation:				
Leasehold improvements	406,771	57,851	-	464,622
Furniture and equipment	1,123,477	12,819	-	1,136,296
Totals	1,530,248	70,670	-	1,600,918
Governmental activities capital assets, net	$ 497,652	$ 4,794	$ -	$ 502,446
Component unit:				
Capital assets, being depreciated:				
Leasehold improvements	$ 7,882,397	$ 51,230	$ -	$ 7,933,627
Less accumulated depreciation:				
Leasehold improvements	3,709,938	222,904	-	3,932,842
Component unit capital assets, net	$ 4,172,459	$ (171,674)	$ -	$ 4,000,785

	As of and Year Ended June 30, 2019			
Description	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets, being depreciated:				
Leasehold improvements	$ 899,060	$ -	$ -	$ 899,060
Furniture and equipment	1,122,602	6,238	-	1,128,840
Totals	2,021,662	6,238	-	2,027,900
Less accumulated depreciation:				
Leasehold improvements	349,606	57,165	-	406,771
Furniture and equipment	1,112,761	10,716	-	1,123,477
Totals	1,462,367	67,881	-	1,530,248
Governmental activities capital assets, net	$ 559,295	$ (61,643)	$ -	$ 497,652
Component unit:				
Capital assets, being depreciated:				
Leasehold improvements	$ 7,882,397	$ -	$ -	$ 7,882,397
Less accumulated depreciation:				
Leasehold improvements	3,492,154	217,784	-	3,709,938
Component unit capital assets, net	$ 4,390,243	$ (217,784)	$ -	$ 4,172,459

NOTE 6 - RISK MANAGEMENT

The School purchases commercial insurance policies in response to risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; injuries to employees; or acts of God. The premium payments for the insurance policies are recorded as expenditures/expenses of the School; and the insurance settlements did not exceed insurance coverage for the years presented.

NOTE 7 - LONG-TERM DEBT OBLIGATIONS

The following table summarizes the School's annual changes to long-term obligations:

	As of and Year Ended June 30, 2020				
	Long-Term Obligations				Due
Description	Beginning Balance	Additions	Deletions	Ending Balance	Within One Year
Governmental activity:					
Other long-term debt:					
Compensated absences	$ 172,858	$ -	$ 9,452	$ 163,406	$ -

The compensated absences liability for governmental activities is generally liquidated with general fund resources.

Component Unit

On December 12, 2000, the **component unit** entered into a mortgage note agreement with the Delaware Community Investment Corporation [DCIC] in the amount of $3,037,000. The mortgage note is secured by a leasehold mortgage and a security agreement on the property located at 2200 Locust, Wilmington, Delaware. The terms of the mortgage note require 240 monthly payments of $24,410, including interest at 7.47%, and the note matures on January 1, 2021. The mortgage note obligation, including interest, is as follows:

Years Ending June 30	Principal	Financing Costs	Interest	Total
2021	$ 166,698	$ (2,253)	$ 4,287	$ 168,732
Total mortgage obligation	166,698	(2,253)	4,287	168,732
Less: Current portion	166,698	(2,253)	4,287	168,732
Long-term portion	$ -	$ -	$ -	$ -

NOTE 8 - PENSION PLAN

The School's pension plan is part of the State Employees' Pension Plan [the Plan] which is a cost-sharing multiple employer defined benefit pension plan established in the Delaware Code. The General Assembly of the State of Delaware is responsible for setting benefits and contributions and amending the Plan's provisions; administrative rules and regulations are adopted and maintained by the Board of Pension Trustees [the Board]. The management of the Plan is the responsibility of the Board, which is comprised of five members appointed by the Governor and confirmed by the State Senate, plus two exofacial members. The daily operation is the responsibility of the Delaware Office of Pensions. Although most of the assets of the Plan are commingled with other plans for investment purposes, the Plan's assets may be used only for the payment of benefits to the members of the Plan in accordance with the terms of the Plan. The following is a brief description of the Plan in effect at June 30, 2019 and 2018. For a complete description, refer to the Delaware Public Employee's Retirement System [DPERS] CAFR.

Separately issued financial statements for DPERS are available from the State of Delaware pension office: McArdle Building, Suite 1; 860 Silver Lake Blvd; Dover, Delaware 19904.

NOTE 8 - PENSION PLAN [continued]

General Information About the Plan

Plan Description and Eligibility: The State Employees' Pension Plan covers virtually all full-time or regular part-time employees of the State, including employees of other affiliated entities such as the School.

There are two tiers within the Plan: 1) Employees hired prior to January 1, 2012 [Pre-2012], and 2) Employees hired on or after January 1, 2012 [Post-2011].

Service Benefits: Final average monthly compensation [employee hired Post-2011 may not include overtime in pension compensation] multiplied by 2.0% and multiplied by years of credited service prior to January 1, 1997, plus final average monthly compensation multiplied by 1.85% and multiplied by years of credited service after December 31, 1996, subject to minimum limitations. For the Plan, final average monthly compensation is the monthly average of the highest three periods of 12 consecutive months of compensation.

Vesting: Pre-2012 date of hire: 5 years of credited service. Post-2011 date of hire: 10 years of credited service.

Retirement: Pre-2012 date of hire: age 62 with 5 years of credited service; age 60 with 15 years of credited service; or after 30 years of credited service at any age. Post-2011 date of hire: age 65 with at least 10 years of credited service; age 60 with 20 years of credited service; and 30 years of credited service at any age.

Disability Benefits: Pre-2012 date of hire: same as Service Benefits. The employee must have 5 years of credited service. In lieu of disability pension benefits, over 90% of the Plan members opted into a Disability Insurance Program offered by the State effective January 1, 2006. Post-2011 date of hire - in the Disability Insurance Program.

Survivor Benefits: If the employee is receiving a pension, the eligible survivor receives 50% of pension [or 67.70% with 2% reduction, 75% with 3% reduction, or 100% with 6% reduction of benefit]; if employee is active with at least 5 years of credited service, eligible survivor receives 75% of the pension the employee would have received at age 62.

Burial Benefit: $7,000 per member.

Contributions:
- Employer: Determined by the Board. Employer contributions were 11.58% and 10.06% of earnings for fiscal years 2019 and 2018, respectively.
- Pre-2012 date of hire Member: 3% of earnings in excess of $6,000.
- Post-2011 date of hire Member: 5% of earnings in excess of $6,000.

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

At June 30, 2020 and 2019, the School reported a pension liability of $2,965,834 and $2,531,620, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and 2018, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The School’s proportion of the net pension liability was based on a projection of the School’s long-term share of contributions to the pension plan relative to the total projected contributions of the State and all participating schools, actuarially determined. At June 30, 2019 and 2018, the School’s proportion was 0.1879 and 0.1960 percent, which was a decrease of 0.0081 and an increase of 0.0031 percent from its proportion measured as of June 30, 2018 and 2017, respectively.

NOTE 8 - PENSION PLAN [continued]

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

As a result of its requirement to contribute to DPERS, the School recognized pension expense of $841,334 and $444,411 for the years ended June 30, 2020 and 2019, respectively. At June 30, 2020 and 2019, the School reported deferred outflows of resources and deferred inflows of resources from the following sources as a result of its requirement to contribute to DPERS:

	Deferred Resources			
	2020		2019	
Description	Outflows	Inflows	Outflows	Inflows
Differences between expected and actual experience	$ 180,386	$ 11,722	$ 110,255	$ 30,448
Changes of assumptions	46,061	-	367,320	-
Net difference between projected and actual earnings on pension plan investments	(218,586)	280,726	-	85,851
Contributions subsequent to measurement date	484,118	-	467,629	-
Change in proportion and differences between School contributions and proportionate share of contributions	(18,034)	(37,821)	46,958	28,469
Totals	$ 473,945	$ 254,627	$ 992,162	$ 144,768

$484,118 and $467,629 reported as deferred outflows of resources related to the pension resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the years ended June 30, 2021 and 2020, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

Years Ending June 30	2020
2021	$ 271,444
2022	(28,116)
2023	(9,090)
2024	20,673
2025	(10,455)
Totals	$ 244,456

Actuarial assumptions: The total pension liability in the June 30, 2019 and 2018 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Percentages	
Description	2019	2018
Inflation	2.50%	2.50%
Projected salary increases	2.50% plus merit	2.50% plus merit
Investment return/discount rate	7.00%, net of pension investment expense	7.00%, net of pension investment expense
Cost-of-living adjustments	0.00%	0.00%

NOTE 8 - PENSION PLAN [continued]

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

The total pension liabilities are measured based on assumptions pertaining to the interest rates, inflation rates, and employee demographic behavior in future years. The assumptions used were based on the results of an actuarial experience study conducted in 2016, details of which are provided in the presentation of that study to the Board of Trustees. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates the larger the impact on future financial statements.

Mortality assumptions are based on the RP-2014 tables with gender adjustments for healthy annuitants and disabled retirees and an adjusted version on MP-2015 mortality improvement scale on a fully generational basis.

Projected benefit payments do not include the effects of projected ad hoc cost-of-living adjustments [ad hoc COLAs] as they are not substantively automatic. The primary considerations relevant to making this determination include the historical pattern of granting the changes and the consistency in the amounts of the changes.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return [expected returns, net of 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 weighing the expected future real rates of return by an asset allocation percentage, which is based on the nature and mix of current and expected Plan investments, and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Plan's current and expected asset allocation is summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return		Asset Allocation	
	2019	2018	2019	2018
Domestic equity	5.70%	5.70%	29.50%	30.70%
International equity	5.70%	5.70%	13.50%	13.90%
Fixed income	2.00%	2.00%	27.10%	23.30%
Alternative investments	7.80%	7.80%	22.40%	24.40%
Cash and equivalents	0.00%	0.00%	7.50%	7.70%

Discount rate: The discount rate for the Plan used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at rates determined by the Board of Pension Trustees, actuarially determined. 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 periods of projected benefit payments to determine the total pension liability.

NOTE 8 - PENSION PLAN [continued]

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

Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate: The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the 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:

Plan	1% Decrease [6.00%]	Discount Rate [7.00%]	1% Increase [8.00%]
Employees of			
Thomas A. Edison Charter School:			
Fiscal year 2020	$ 5,356,302	$ 2,965,834	$ 957,445
Fiscal year 2019	$ 4,912,883	$ 2,531,620	$ 532,188

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS [OPEB]

Plan Description: The School's OPEB Plan is part of the State of Delaware's Other Postemployment Benefit [OPEB] Fund Trust [the Plan] which is a cost-sharing multiple-employer defined-benefit plan established in the Delaware Code. The Plan is administered by the Delaware Public Employees' Retirement System [DPERS]. The State of Delaware [the State] is responsible for the policy and management of the OPEB benefits provided to retirees. The Plan's assets may be used only for the payment of benefits to the members of the Plan in accordance with the terms of the Plan.

Additional financial and actuarial information with respect to the Plan may be found in the *State of Delaware Other Postemployment Benefits [OPEB] Fund Trust Financial statements* available online at https://open.omb.delaware.gov/financials.shtml.

Benefits: The Plan provides medical coverage to pensioners and their eligible dependents. The participant's cost of Plan benefits varies based on years of service within those pension plan categories defined by the Plan. Pensioners retiring after July 1, 2012 and who become eligible for Medicare will pay an additional 5% of the Medicare Supplement offered by the State. Surviving spouses are eligible for coverage after a retiree's death.

Contributions: Participating employers, such as the School, fund the Plan for current retirees on a pay-as-you-go basis along with funding for future benefits at a rate that is approved in the annual budget, but not actuarially determined. By State Statute Chapter 52, Title 29 of the Delaware Code, contribution requirements of plan members and the government are established and may not be amended by the State Legislature. Funds are recorded in the Plan for the payment of retiree healthcare claims, administrative and investment expenses. Administrative costs are financed through investment earnings. State appropriations, other employer contributions, and retiree contributions for healthcare are recorded in the Plan. The funds available are invested under the management of the DPERS Board of Pension Trustees, which acts as the Board of Trustees for the Plan and is responsible for the financial management of the Plan. The School's contractually required contribution rate for the years ended June 30, 2019 and 2018, were 18.54% and 19.11% of covered-employee payroll, respectively. Total contributions for the years ended June 30, 2019 and 2018 were $465,993 and $429,169, respectively.

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS [OPEB] [continued]

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

At June 30, 2020 and 2019, the School reported a liability of $14,776,634 and $15,686,338, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of those dates. The School's proportion of the net OPEB liability was based on a projection of the School's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities and affiliates, actuarially determined. At June 30, 2019 and 2018, the School's proportion was 0.1854 and 0.1911 percent, which was a decrease of 0.0057 and an increase of 0.0026 percent from its proportion measured as of June 30, 2018 and 2017, respectively.

For the years ended June 30, 2020 and 2019, the School recognized OPEB expense of $396,121 and $701,755, respectively. At June 30, 2020 and 2019, the School reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Resources			
	2020		2019	
Description	Outflows	Inflows	Outflows	Inflows
Differences between expected and actual experience	$ -	$ 1,327,042	$ -	$ -
Changes of assumptions	575,517	679,489	-	1,776,008
Net difference between projected and actual earnings on pension plan investments	-	315	-	32,843
Contributions subsequent to measurement date	506,463	-	465,993	-
Change in proportion and differences between School contributions and proportionate share of contributions	153,209	351,821	337,903	-
Totals	$ 1,235,189	$ 2,358,667	$ 803,896	$ 1,808,851

$506,463 and $465,993 reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the years ended June 30, 2021 and 2020, respectively. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30	2020
2021	$ (473,521)
2022	(473,521)
2023	(473,521)
2024	(209,378)
Total	$ (1,629,941)

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS [OPEB] [continued]

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB [continued]

Actuarial assumptions: The total OPEB liability in the June 30, 2019 and 2018 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Description	Percentages 2019	Percentages 2018
Discount rate	3.50%	3.87%
Salary increases	3.25% plus merit	3.25% plus merit
Investment rate of return	n/a	n/a
Healthcare cost trend rate	6.60%	6.80%

Mortality rates are based on the sex-distinct employee healthy annuitant and disabled annuitant mortality tables derived from RP-2014 Total Dataset Employee Mortality Table, including adjustment factors. Future mortality improvements are reflected by applying a custom projection scale on a generational basis to adjusted base tables from the base year.

The total OPEB liabilities are measured based on assumptions pertaining to the interest rates, inflation rates, health costs, and employee demographic behavior in future years. The assumptions used were based on the results on an actuarial experience study conducted in 2016. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Discount rate: The discount rate used to measure the total OPEB liability was 3.87% at the beginning of the current measurement period and 3.50% at the end, based on the Bond Buyer GO 20-year Municipal Bond Index. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that employer contributions to the Plan will continue to follow the pay-as-you-go contribution policy. Based on the assumptions of a pay-as-you-go plan, the discount rate used at the June 30, 2019 and 2018 measurement dates is equal to the applicable rate of the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of the School's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the School's proportionate share of the net OPEB liability, as well as what the School's proportionate share of the net OPEB 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 discount rate:

Plan	1% Decrease	Discount Rate	1% Increase
Employees of Thomas A. Edison Charter School:			
Fiscal Year 2020 [see Discount Rate above]	$ 17,519,977	$ 14,776,634	$ 12,597,999
Fiscal Year 2019 [see Discount Rate above]	$ 18,670,220	$ 15,686,338	$ 13,345,958

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS [OPEB] [continued]

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB [continued]

Sensitivity of the School's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates: The healthcare trend rate used to measure the total OPEB liability was 6.80% at the beginning of the current measurement period and 6.60% at the end. The following presents the School's proportionate share of the net OPEB liability as well as what the School's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Plan	1% Decrease	Healthcare Trend	1% Increase
Employees of			
Thomas A. Edison Charter School:			
Fiscal Year 2020 [see Healthcare Rate above]	$ 12,626,602	$ 14,776,634	$ 17,340,760
Fiscal Year 2019 [see Healthcare Rate above]	$ 13,358,761	$ 15,686,338	$ 18,527,993

NOTE 10 - COMMITMENTS AND CONTINGENCIES

In the normal course of business, there are outstanding various commitments and contingent liabilities in addition to the normal encumbrances for the purchase of goods and services. The School does not anticipate significant losses from these transactions.

Government Awards

The School participates in certain state and local awards not subject to the audit requirements under the Uniform Guidance. These awards may be subjected to oversight audits by the grantors and/or their representatives. No audits of these awards have been conducted as of June 30, 2020. Accordingly, the School's compliance with applicable award requirements will be established at some future date. The amount of costs which may be disallowed by these agencies cannot be determined at this time although the School expects such amounts, if any, not to be significant to the basic financial statements.

Government Awards Subject to the Uniform Guidance

The School participates in certain federal grant awards subject to the audit requirements under the Uniform Guidance. A compliance audit of the federal grant awards was conducted under the Uniform Guidance as of and for the year ended June 30, 2020. The compliance audit did not identify any questioned costs; however, questioned costs may exist which have not been identified. The amount of costs not identified which could be disallowed by federal agencies at some future date cannot be determined at this time although the School expects such amounts, if any, not to be significant to the basic financial statements.

NOTE 11 - LEASING ARRANGEMENTS

The **component unit** leases the land and building shell from an unrelated third party under the terms of an operating leasing arrangement dated August 25, 1999. The arrangement has a term of 45 years, commencing September 1, 2000 [original commitment date was September 1, 1999] and ending August 31, 2044. Thereafter, the lessee shall have the right and option to extend the term of this lease for five consecutive extended terms of ten years each [the "extended terms"] unless and until this lease shall be sooner terminated. The annual lease payment is due and payable the first day of each lease year as follows:

Periods	Amount
First 5 years	$1 per annum
6th through 10th year	Not to exceed $10,000
11th through 15th year	$15,000 per annum
16th through 20th year	$20,000 per annum
21st through 25th year	$25,000 per annum
26th through 45th year	To be negotiated

At June 30, 2020, the minimum future rental payments required under the leasing arrangement having remaining terms in excess of one year for the remaining years in the aggregate are:

Years Ending June 30	Amount
2021	$ 25,000
2022	25,000
2023	25,000
2024	25,000
Minimum future rental payments required	$ 100,000

The **component unit** in turn subleases the property to the School. Total rental revenue under the leasing arrangement amounted to $292,922 and $467,922 for years ended June 30, 2020 and 2019, respectively.

NOTE 12 - GASB STATEMENT IMPLEMENTATION

In November of 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations.* Implementation was required for periods beginning after June 15, 2018. The objective of the Statement is to address accounting and financial reporting for certain asset retirement obligations [ARO]. An ARO is a legally enforceable liability associated with the retirement of a tangible asset. Implementation of the Statement has no impact on the financial statements.

In April of 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements.* Implementation was required for periods beginning after June 15, 2018. The objective of the Statement is to improve the information that is disclosed in the notes to government financial statements related to debt, including borrowings and direct placements. The Statement also clarifies which liabilities governments should include when disclosing information related to debt. Implementation of the Statement has no impact on the financial statements.

NOTE 13 – PENDING GASB STATEMENTS

The School has not completed the various analysis required to estimate the future impact of the following new pronouncements on its financial statements. Generally, the School does not early implement GASB statements and pronouncements.

In January of 2017, GASB issued Statement No. 84, *Fiduciary Activities.* Implementation was originally required for periods beginning after December 15, 2018. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative* Guidance, postponed the effective date of required implementation by one year to periods beginning after December 15, 2019. The objective of the Statement is to establish criteria for identifying fiduciary activities of all state and local governments.

In June of 2017, GASB issued Statement No. 87, *Leases.* Implementation was originally required for periods beginning after December 15, 2019, with earlier application encouraged. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponed the effective date of required implementation by eighteen months to periods beginning after June 15, 2021. The objective of the Statement is to better meet the information needs of the financial statement users by improving the accounting and financial reporting for leases by governments. The Statement establishes a single model for lease accounting based on the principle that leases are financing of the right to use an underlying asset.

In June of 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period.* Implementation was originally required for periods beginning after December 15, 2019; however, the Statement should be applied prospectively. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative* Guidance, postponed the effective date of required implementation by one year to periods beginning after December 15, 2020. The Statement requires that interest cost incurred before the end of the construction period be recognized as an expense in the period in which the cost is incurred for the financial statements prepared using the economic resources measurement focus. As a result, the interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in the business-type activity or enterprise fund. The Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. Such interest includes all interest that was previously accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement.

In May of 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. Implementation was originally required for periods beginning after December 15, 2020, with earlier application encouraged. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponed the effective date of required implementation by one year to periods beginning after December 15, 2021. The primary objectives of the Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with [1] commitments extended by issuers, [2] arrangements associated with conduit debt obligations, and [3] related note disclosures. The Statement achieves the objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

In January of 2020, GASB issued Statement No. 92, *Omnibus 2020*. Implementation for requirements related to Statement 87 was originally effective for fiscal years beginning after December 15, 2019. Implementation for requirements related to Statements 73, 74, and 84 was originally effective for fiscal years beginning after June 15, 2020. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponed the effective date of required implementation by one year. The primary objective of the Statement is to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements.

NOTE 13 – PENDING GASB STATEMENTS [continued]

In March of 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Implementation was originally required for periods ending after December 31, 2021, with earlier application encouraged. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance,* postponed the effective date of required implementation by one year to periods ending after December 31, 2022. The primary objective of the Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR.

In March of 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. Implementation was originally required for periods ending after June 15, 2022, with earlier application encouraged. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponed the effective date of required implementation by one year to periods ending after June 15, 2023. The primary objective of the Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into PPPs and APAs and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs.

In March of 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. Implementation is required for periods ending after June 15, 2022, with earlier application encouraged. The primary objective of the Statement is to better meet the information needs of financial statement users by [1] establishing uniform accounting and financial reporting requirements for SBITAS; [2] improving the comparability of financial statements among governments that have entered into SBITAs; and [3] enhancing the understandability, reliability, relevance, and consistency of information about SBITAs.

In June of 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Implementation is required for periods ending after June 15, 2021, with earlier application encouraged. The primary objectives of the Statement are to [1] increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; [2] mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit [OPEB] plans, and employee benefit plans other than pension plans or OPEB plans [other employee benefit plans] as fiduciary component units in fiduciary fund financial statements; and [3] enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code [IRC] Section 457 deferred compensation plans [Section 457 plans] that meet the definition of a pension plan and for benefits provided through those plans.

NOTE 14 – COVID-19 IMPACT

The outbreak of a novel strain of coronavirus (COVID-19) has spread throughout the United States as of the date of the auditor’s report. Multiple jurisdictions in the U.S. have declared various levels of States of Emergency. In March 2020, the entity was ordered by the governor of the State of Delaware to suspend in-person classes until further notice. The potential impact cannot be reasonably predicted as of the date of the auditor’s report.

NOTE 15 - EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated all subsequent events through the date of the auditor’s report, the date on which the financial statements were available to be issued. Management has determined that no additional disclosures or adjustments are necessary to the basic financial statements.

Required Supplementary Information [RSI] Section

THOMAS A. EDISON CHARTER SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND
Year Ended June 30, 2020

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)	
REVENUES					
Charges to school districts	$ 3,004,706	$ 3,004,706	$ 3,106,906	$ 102,200	
State funding-allocation	4,622,664	4,622,664	4,684,155	61,491	
State funding-other	348,000	348,000	736,938	388,938	1
Federal funding-education	1,198,041	1,198,041	1,063,904	(134,137)	2
Earnings on cash and equivalents	20,000	20,000	85,639	65,639	
Program service fees	21,500	21,500	4,326	(17,174)	
Miscellaneous revenues	24,000	24,000	14,039	(9,961)	
Total revenues	9,238,911	9,238,911	9,695,907	456,996	
EXPENDITURES					
Current:					
Salaries	4,096,296	4,096,296	4,163,936	(67,640)	
Employment costs	1,849,738	1,849,738	2,020,661	(170,923)	
Travel	41,100	41,100	17,986	23,114	
Contracted services	505,160	505,160	407,408	97,752	3
Communications	18,100	18,100	24,519	(6,419)	
Public utility services	175,000	175,000	118,096	56,904	
Insurance	45,000	45,000	57,306	(12,306)	
Transportation	760,000	760,000	597,111	162,889	4
Land/Building/Facilities	292,922	292,922	330,154	(37,232)	
Repairs and maintenance	587,868	587,868	243,611	344,257	5
Other contracted services	191,880	191,880	458,469	(266,589)	6
Supplies and materials	235,000	235,000	312,933	(77,933)	7
Operating supplies	180,000	180,000	366,184	(186,184)	7
Food services	40,000	40,000	2,496	37,504	
Capital outlay	147,000	147,000	539,435	(392,435)	8
Total expenditures	9,165,064	9,165,064	9,660,305	(495,241)	
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	73,847	73,847	35,602	(38,245)	
OTHER FINANCING SOURCES (USES)					
Christina School District settlement	85,000	85,000	82,564	(2,436)	
Total other financing sources (uses)	85,000	85,000	82,564	(2,436)	
NET CHANGE IN FUND BALANCES	158,847	158,847	118,166	(40,681)	
FUND BALANCES					
Beginning of year	-	-	2,760,946	2,760,946	
End of year	$ 158,847	$ 158,847	$ 2,879,112	$ 2,720,265	

See Report of Independent Auditor

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School annually adopts a budget for the general fund. The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compares the expenditures with the amended budgets. Budgets for the governmental funds are presented on the modified accrual basis of accounting. Accordingly, the accompanying budgetary comparison schedule for the general fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the legally adopted budgets as amended. Generally, unexpended appropriations on annual budgets lapse at the end of each fiscal year.

Significant Variances Compared to Budget

1. The favorable variance in State funding-other is due to new grants made available and received in the current fiscal year which were not budgeted.

2. The unfavorable variance in Federal funding is due to the impact of COVID-19.

3. The favorable variance in contracted services is a reduction of School expenses as a result of the COVID-19 pandemic.

4. The favorable variance in transportation costs is reduced student busing due to remote learning during the COVID-19 pandemic.

5. The favorable variance in repairs and maintenance is due to the reduced need for maintenance as a result of students learning remotely

6. The unfavorable variance in other contracted services is due to the purchase of computer software for student use for remote learning during the COVID-19 pandemic.

7. The unfavorable variance in operating supplies is due to use of COVID-19 funding for preparation of the 2020-2021 school year.

8. The unfavorable variance in capital outlay resulted from the purchase of large number of computers for student use for remote learning during the COVID-19 pandemic.

THOMAS A. EDISON CHARTER SCHOOL
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
As of and Years Ended June 30,

	2020	2019	2018	2017
School's proportion of net pension liability (asset)	0.1879%	0.1960%	0.1929%	0.1910%
School's proportionate share of net pension liability (asset)	$ 2,965,834	$ 2,531,620	$ 2,828,473	$ 2,877,704
School's covered-employee payroll	$ 4,039,646	$ 4,029,520	$ 3,931,516	$ 3,852,415
School's proportionate share of net pension liability (asset) as a percentage of its covered-employee payroll	73.42%	62.83%	71.94%	74.70%
Plan's fiduciary net position as percentage of total pension liability	85.41%	87.49%	85.31%	84.11%

	2016	2015
School's proportion of net pension liability (asset)	0.1987%	0.1968%
School's proportionate share of net pension liability (asset)	$ 1,321,860	$ 724,534
School's covered-employee payroll	$ 3,932,693	$ 3,794,866
School's proportionate share of net pension liability (asset) as a percentage of its covered-employee payroll	33.61%	19.09%
Plan's fiduciary net position as percentage of total pension liability	92.67%	95.80%

Note to Schedule:

The amounts presented above are determined as of June 30th of each preceding year.

See Report of Independent Auditor

THOMAS A. EDISON CHARTER SCHOOL
SCHEDULES OF PENSION CONTRIBUTIONS
Years Ended June 30,

	2020	2019	2018	2017
Contractually required contribution	$ 484,118	$ 467,629	$ 405,547	$ 360,069
Contributions in relation to contractually required contribution	484,118	467,629	405,547	360,069
Annual contribution (deficiency) excess	$ -	$ -	$ -	$ -
School covered-employee payroll	$ 4,137,872	$ 4,039,646	$ 4,029,520	$ 3,931,516
Contributions as percentage of covered-employee payroll	11.70%	11.58%	10.06%	9.16%

	2016	2015
Contractually required contribution	$ 348,903	$ 354,261
Contributions in relation to contractually required contribution	348,903	354,261
Annual contribution (deficiency) excess	$ -	$ -
School covered-employee payroll	$ 3,852,415	$ 3,932,693
Contributions as percentage of covered-employee payroll	9.06%	9.01%

See Report of Independent Auditor

THOMAS A. EDISON CHARTER SCHOOL
SCHEDULES OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
As of and Years Ended June 30,

	2020	2019	2018	2017
School's proportion of net OPEB liability	0.1833%	0.1911%	0.1885%	0.1851%
School's proportionate share of net OPEB liability (asset)	$ 14,776,634	$ 15,686,338	$ 15,563,982	$ 16,810,307
School's covered-employee payroll	$ 4,039,646	$ 4,029,520	$ 3,931,516	$ 3,852,415
School's proportionate share of net OPEB liability (asset) as a percentage of its covered-employee payroll	365.79%	389.29%	395.88%	436.36%
Plan's fiduciary net position as percentage of total OPEB liability	0.05%	0.05%	0.04%	0.03%

Note to Schedule:

The amounts presented above are determined as of June 30th of each preceding year.

See Report of Independent Auditor

THOMAS A. EDISON CHARTER SCHOOL
SCHEDULES OF OPEB CONTRIBUTIONS
Years Ended June 30,

	2020	2019	2018	2017
Contractually required contribution	$ 506,463	$ 465,993	$ 429,169	$ 447,223
Contributions in relation to contractually required contribution	506,463	465,993	429,169	447,223
Annual contribution (deficiency) excess	$ -	$ -	$ -	$ -
School covered-employee payroll	$ 4,137,872	$ 4,039,646	$ 4,029,520	$ 3,931,516
Contributions as percentage of covered-employee payroll	12.24%	11.54%	10.65%	11.38%

See Report of Independent Auditor

Supplementary Information Section

THOMAS A. EDISON CHARTER SCHOOL
BALANCE SHEETS-GENERAL FUND
As of June 30, 2020 and 2019

	2020				2019			
	State Fund	Local Fund	Federal Fund	Total General Fund	State Fund	Local Fund	Federal Fund	Total General Fund
ASSETS								
Cash and equivalents:								
Unrestricted	$ 585,257	$2,436,327	$ -	$3,021,584	$ 305,100	$2,572,764	$ -	$2,877,864
Restricted	148,125	110,203	-	258,328	161,451	110,203	-	271,654
Receivables-other	-	6,015	-	6,015	-	11,263	-	11,263
Due from other governments	-	-	12,020	12,020	-	-	9,998	9,998
Due from component unit	-	-	-	-	-	820	-	820
TOTAL ASSETS	$ 733,382	$2,552,545	$ 12,020	$3,297,947	$ 466,551	$2,695,050	$ 9,998	$3,171,599
LIABILITIES								
Accounts payable	38,025	1,789	12,020	$ 51,834	$ 18,998	$ 51,195	$ 9,998	$ 80,191
Accrued salaries and related costs	364,601	-	-	364,601	330,462	-	-	330,462
Due to component unit	-	2,400	-	2,400	-	-	-	-
Total liabilities	402,626	4,189	12,020	418,835	349,460	51,195	9,998	410,653
FUND BALANCES								
Restricted-specific programs	148,125	110,203	-	258,328	161,451	110,203	-	271,654
Committed-encumbered	79,651	-	-	79,651	295,096	-	-	295,096
Unassigned (deficit)	102,980	2,438,153	-	2,541,133	(339,456)	2,533,652	-	2,194,196
Total fund balances	330,756	2,548,356	-	2,879,112	117,091	2,643,855	-	2,760,946
TOTAL LIABILITIES AND FUND BALANCES	$ 733,382	$2,552,545	$ 12,020	$3,297,947	$ 466,551	$2,695,050	$ 9,998	$3,171,599

See Report of Independent Auditor

THOMAS A. EDISON CHARTER SCHOOL
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES-GENERAL FUND
Years Ended June 30, 2020 and 2019

	2020				2019			
	State Fund	Local Fund	Federal Fund	Total General Fund	State Fund	Local Fund	Federal Fund	Total General Fund
REVENUES								
Charges to school districts	$ -	$ 3,106,906	$ -	$ 3,106,906	$ -	$ 3,033,717	$ -	$ 3,033,717
State funding-allocation	4,684,155	-	-	4,684,155	4,633,088	-	-	4,633,088
State funding-other	594,787	142,151	-	736,938	450,200	118,210	-	568,410
Federal funding	-	-	1,063,904	1,063,904	-	-	1,083,063	1,083,063
Earnings on cash and equivalents	-	85,639	-	85,639	-	53,285	-	53,285
Program services fees	-	4,326	-	4,326	-	13,624	-	13,624
Miscellaneous revenues	-	14,039	-	14,039	-	47,686	-	47,686
Total revenues	5,278,942	3,353,061	1,063,904	9,695,907	5,083,288	3,266,522	1,083,063	9,432,873
EXPENDITURES								
Current:								
Salaries	1,873,763	1,825,271	464,902	4,163,936	1,722,650	1,818,960	478,363	4,019,973
Employment costs	937,255	863,921	219,485	2,020,661	849,893	859,832	201,821	1,911,546
Travel	12,357	1,390	4,239	17,986	7,433	9,597	16,160	33,190
Contracted services	62,883	66,308	278,217	407,408	186,152	57,542	223,636	467,330
Communications	10,682	13,837	-	24,519	8,293	9,155	-	17,448
Public utility services	109,692	8,404	-	118,096	131,183	22,184	-	153,367
Insurance	50,664	6,642	-	57,306	29,702	13,614	-	43,316
Transportation	494,356	73,942	28,813	597,111	631,041	-	52,610	683,651
Land/Building/Facilities	292,922	36,512	720	330,154	467,922	83,545	-	551,467
Repairs and maintenance	157,844	85,767	-	243,611	352,167	72,717	-	424,884
Other contracted services	389,872	61,858	6,739	458,469	154,883	37,440	2,097	194,420
Supplies and materials	219,371	42,505	51,057	312,933	148,630	26,943	75,951	251,524
Operating supplies	308,645	47,807	9,732	366,184	19,742	59,089	20,066	98,897
Food services costs	-	2,496	-	2,496	-	253	-	253
Capital outlay	144,971	394,464	-	539,435	52,128	33,203	12,359	97,690
Total expenditures	5,065,277	3,531,124	1,063,904	9,660,305	4,761,819	3,104,074	1,083,063	8,948,956
EXCESS REVENUES OVER EXPENDITURES	213,665	(178,063)	-	35,602	321,469	162,448	-	483,917
OTHER FINANCING SOURCES (USES)								
Christina School District settlement	-	82,564	-	82,564	-	85,262	-	85,262
Total other financing sources	-	82,564	-	82,564	-	85,262	-	85,262
NET CHANGE IN FUND BALANCES	213,665	(95,499)	-	118,166	321,469	247,710	-	569,179
FUND BALANCES (DEFICIT)								
Beginning of year	117,091	2,643,855	-	2,760,946	(204,378)	2,396,145	-	2,191,767
End of year	$ 330,756	$ 2,548,356	$ -	$ 2,879,112	$ 117,091	$ 2,643,855	$ -	$ 2,760,946

See Report of Independent Auditor

Reports Required by

the Uniform Guidance

WHISMAN GIORDANO
CERTIFIED PUBLIC ACCOUNTANTS

Building Extraordinary Relationships

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

To Members of the School Board
Thomas A. Edison Charter School
Wilmington, Delaware

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Thomas A. Edison Charter School [a component unit of the State of Delaware], as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Thomas A. Edison Charter School's basic financial statements and have issued our report thereon dated September 21, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Thomas A. Edison Charter School's internal control over financial reporting [internal control] to determine the auditing 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 Thomas A. Edison Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Thomas A. Edison 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 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Thomas A. Edison 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Members of the School Board
Thomas A. Edison Charter School

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 Thomas A. Edison 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 Thomas A. Edison Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Whisman Giordano & Associates, LLC

Newark, Delaware
September 21, 2020

WHISMAN GIORDANO
CERTIFIED PUBLIC ACCOUNTANTS

Building Extraordinary Relationships

Report of Independent Auditor
on Compliance for Each Major Program
and on Internal Control Over Compliance
and Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance

To the Board of Directors
Thomas A. Edison Charter School
Wilmington, Delaware

Report on Compliance for Each Major Federal Program

We have audited Thomas A. Edison Charter School's [a component unit of the State of Delaware] compliance with types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Thomas A. Edison Charter School's major federal programs for the year ended June 30, 2020. Thomas A. Edison Charter School's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Thomas A. Edison Charter School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* [CFR] Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* [Uniform Guidance]. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Thomas A. Edison Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Thomas A. Edison Charter School's compliance.

Opinion on Each Major Federal Program

In our opinion, Thomas A. Edison 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 its major federal program for the year ended June 30, 2020.

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Board of Directors
Thomas A. Edison Charter School

Report on Internal Control Over Compliance

Management of Thomas A. Edison Charter School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Thomas A. Edison Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Thomas A. Edison Charter School's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 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 program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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. Accordingly, this report is not suitable for any other purpose.

Report of Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Thomas A. Edison Charter School, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Thomas A. Edison Charter School's basic financial statements. We issued our report thereon dated September 21, 2020 to, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Whisman Giordano & Associates, LLC

Newark, Delaware
September 21, 2020

Federal Grantor/ Pass-Through Grantor Project Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through State of Delaware,			
Department of Education [DOE]:			
Title I Grants to Local Educational Agencies	**84.010**	Title I FSF-40554	$ 548,800
Special Education Grants to States	**84.027**	IDEA-B FSF-40564	160,243
21st Century Community Learning Centers	**84.287**	21st Century FSF-40240	242,404
Supporting Effective Instruction State Grants (Formerly Improving Teacher Quality State Grant)	**84.367**	TITLE II FSF-40114	90,438
Student Support and Academic Enrichment Program	**84.424**	TITLE IV-A FSF-40532	22,019
TOTAL U.S. DEPARTMENT OF EDUCATION			$ 1,063,904
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 1,063,904

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards [the "Schedule"] includes the federal award activity of Thomas A. Edison Charter School under programs of the federal government for the year ended June 30, 2020. The information in this Schedule 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]. Because the Schedule represents only a selected portion of the operation of Thomas A. Edison Charter School, it is not intended to and does not present the financial position, change in net assets, or cash flows of Thomas A. Edison Charter School.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on this Schedule are reflected on the modified accrual basis of accounting. 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. Thomas A. Edison Charter School has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued [*unmodified, modified, adverse, or disclaimer*].	**unmodified**
Internal control over financial reporting:	
-Material weakness(es) identified?	___ yes **x** no
-Significant deficiency(ies) identified?	___ yes **x** none reported
Noncompliance material to financial statements noted?	___ yes **x** no

Federal Awards

Internal control over major programs:	
-Material weakness(es) identified?	___ yes **x** no
-Significant deficiency(ies) identified?	___ yes **x** none reported
Type of auditor's report issued on compliance for major programs [*unmodified, modified, adverse, or disclaimer*].	**unmodified**
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	___ yes **x** no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
84.010	**Title I Grants to Local Educational Agencies**

Dollar threshold used to distinguish between type A and type B programs:	**$750,000**
Auditee qualified as low-risk auditee?	**x** yes ___ no

SECTION II – FINDINGS-FINANCIAL STATEMENTS AUDIT

None reported.

SECTION III – FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM AUDIT

None reported.

SECTION II - FINDINGS-FINANCIAL STATEMENTS AUDIT

None reported or outstanding.

SECTION III - FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM AUDIT

None reported or outstanding.