

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
OF THE  
PAUL ROBESON CHARTER SCHOOL  
FOR THE HUMANITIES  
NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**PAUL ROBESON PUBLIC CHARTER SCHOOL**  
**JUNE 30, 2021**  
**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Letter of Transmittal ..... 1  
Roster of Trustees and Officers..... 6  
Consultants and Advisors ..... 7

**FINANCIAL SECTION**

Independent Auditor's Report on General Purpose Financial Statements and Supplementary Schedule  
of Expenditures of Federal Awards and State Financial Assistance ..... 8  
Required Supplementary Information - Part I  
Management's Discussion and Analysis ..... 11

**Basic Financial Statements:**

**A. School-wide Financial Statements**

A-1 Statement of Net Position ..... 22  
A-2 Statement of Activities ..... 23

**B. Fund Financial Statements:**

**Governmental Funds:**

B-1 Balance Sheet..... 24  
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances..... 25  
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities ..... 26

**Proprietary Funds:**

B-4 Statement of Net Position ..... 27  
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position ..... 28  
B-6 Statement of Cash Flows ..... 29

**Fiduciary Funds:**

B-7 Statement of Fiduciary Net Position – **Not Applicable** ..... 30  
B-8 Statement of Changes in Fiduciary Net Position – **Not Applicable** ..... 31

**Notes to Financial Statements ..... 32**

**Required Supplementary Information - Part II**

**C. Budgetary Comparison Schedules:**

C-1 Budgetary Comparison Schedule General Fund ..... 67  
C-2 Budgetary Comparison Schedule Special Revenue Fund ..... 70

**PAUL ROBESON PUBLIC CHARTER SCHOOL  
JUNE 30, 2021  
TABLE OF CONTENTS**

**Notes to Required Supplementary Information:**

C-3 Budget to GAAP Reconciliation..... 72

**Required Supplementary Information - Part III**

**L. Schedules Related to Accounting and Reporting for Pensions (GASB 68):**

L-1 Schedule of the Charter School’s Proportionate Share of the Net Pension Liability-PERS..... 73  
L-2 Schedule of Charter School Contributions - PERS ..... 74  
L-3 Schedule of the Charter School Proportionate Share of the Net Pension Liability-TPAF ..... 75  
L-4 Notes to Required Supplementary Information Pension Schedules ..... 76

**M. Schedules Related to Accounting and Reporting for OPEB (GASB 75):**

M-1 Schedule of Changes in the State’s Total OPEB Liability and Related Ratios ..... 77

**Other Supplementary Information**

**E. Special Revenue Fund:**

E-1 Combining Schedule of Program Revenues and Expenditures,  
Special Revenue Fund - Budgetary Basis ..... 78  
E-2 Schedule of Preschool Education aid Budgetary Basis – **Not Applicable** ..... 78

**G. Proprietary Funds:**

**Enterprise Fund:**

G-1 Combining Statement of Net Position..... 79  
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position..... 80  
G-3 Combining Statement of Cash Flows..... 81

**Fiduciary Funds:**

H-1 Combining Statement of Fiduciary Net Position – **Not Applicable**..... 82  
H-2 Combining Statement of Changes in Fiduciary Net Position – **Not Applicable** ..... 83  
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements – **Not Applicable**..... 84  
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements – **Not Applicable** ..... 85  
H-5 Unemployment Compensation Insurance Trust Fund – **Not Applicable** ..... 86

**J. Financial Trends:**

J-1 Net Position by Component..... 87  
J-2 Changes in Net Position ..... 88  
J-3 Fund Balances – Governmental Funds ..... 90  
J-4 Changes in Fund Balances – Governmental funds..... 91

**PAUL ROBESON PUBLIC CHARTER SCHOOL  
JUNE 30, 2021  
TABLE OF CONTENTS**

**J. Revenue Capacity:**

J-5 General Fund - Other Local Revenue By Source ..... 92  
 J-6 Assessed Value and Actual Value of Taxable Property – **Not Applicable** ..... 93  
 J-7 Direct and Overlapping Properties – **Not Applicable** ..... 94  
 J-8 Principal Property Taxpayers – **Not Applicable** ..... 95

**J. Debt Capacity:**

J-9 Property Tax Levies and Collections – **Not Applicable** ..... 96  
 J-10 Ratios of Outstanding Debt by Type – **Not Applicable** ..... 97  
 J-11 Ratios of Net General Bonded Debt Outstanding – **Not Applicable** ..... 98  
 J-12 Direct and Overlapping Governmental Activities Debt – **Not Applicable** ..... 99

**J. Demographic and Economic Information:**

J-13 Legal Debt Margin Information – **Not Applicable** ..... 100  
 J-14 Demographic and Economic Statistics – **Not Applicable** ..... 101

**J. Operating Information:**

J-15 Principal Employers – **Not Applicable** ..... 102  
 J-16 Full Time Equivalent Charter School Employees by Function/Program ..... 103  
 J-17 Operating Statistics ..... 104  
 J-18 School Building Information ..... 105  
 J-19 General Fund-Schedule of Required Maintenance – **Not Applicable** ..... 106  
 J-20 Insurance Schedule ..... 107

**J. Charter School Performance Framework Financial Indicators:**

J-21 Near Term Indicators ..... 108

**SINGLE AUDIT SECTION K.**

K-1 Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of  
 Financial Statements Performed in Accordance with *Government Auditing Standards* ..... 109  
 K-2 Report on Compliance with Requirements Applicable to Each Major Program and Internal  
 Control Over Compliance in Accordance with The Uniform Guidance and New Jersey  
 OMB Circular letter 15-08 ..... 111  
 K-3 Schedule of Expenditures of Federal Awards ..... 114  
 K-4 Schedule of Expenditures of State Financial Assistance ..... 115  
 K-5 Notes to the Schedule of Awards and Financial Assistance ..... 116  
 K-6 Schedule of Finding and Questioned Costs  
 Section I – Summary of Auditor’s Results ..... 118  
 Section II – Financial Statement Findings ..... 120  
 Section III – Federal Awards and State Financial Findings and Questioned Costs ..... 121  
 K-7 Summary Schedule of Prior Audit Findings ..... 122



**PAUL ROBESON  
CHARTER SCHOOL**

*Knowledge. Character. Success.*

March 1, 2022

Commissioner  
New Jersey Department of Education  
100 Riverview Executive Plaza  
CN 500  
Trenton, NJ 08625

Dear Commissioner:

The Annual Comprehensive Financial Report of the Paul Robeson Charter School for the Humanities for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the school. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the school. All disclosures necessary to enable the reader to gain an understanding of the school's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter and list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report. The statistical section includes audited data from the school's first six fiscal years. The school is required to undergo an annual single audit in conformity with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (U.S. Uniform Guidance), "Audits of State and Local Governments and Non-Profit Organizations," and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws and regulations and findings and recommendations is included in the single audit section of this report.

- 1) REPORTING ENTITY AND ITS SERVICES** The Paul Robeson Charter School for the Humanities is an independent reporting entity within the criteria adopted by the Government Auditing Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the Charter School are included in this report. The Charter School's Board of Trustees, constitutes the Charter School's reporting entity.

2) **ENROLLMENT OUTLOOK:** The Paul Robeson Charter School for the Humanities provides a full range of educational services appropriate to grade levels Grade 4 through Grade 8. These services include regular, as well as special education and basic skills instruction. The Charter School completed the 2020-2021 school year with an enrollment of 430 students. The following details the student enrollment of the Charter School:

**Average Daily Enrollment**

---

<b>Fiscal Year</b>	<b>Student Enrollment</b>	<b>Percent Change</b>
2020-2021	430	14.67%
2019-2020	375.0	.00%
2018-2019	375.0	.08%
2017-2018	374.7	(.8%)
2016-2017	378.0	.13%
2015-2016	371.1	.51%
2014-2015	373.0	3.27%
2013-2014	361.2	22.52%
2012-2013	294.8	1.42%
2011-2012	290.6	6.95%
2010-2011	270.4	25.52%

3) **MAJOR ACCOMPLISHMENTS:**

**Mission Statement:**

To provide a personalized education that challenges, inspires and prepares all students to passionately pursue their dreams and lead a life of active civil engagement.

**Vision Statement:**

Paul Robeson Charter School inspires and equips every student to lead a life of achievement, service and success. Our structures and nurturing community, comprehensive programming and rigorous academic curriculum are designed to build self motivated citizens, eager learners and strong leaders - regardless of circumstance. Our graduates are driven young people who are prepared for the future demands of high school, college, career and, eventually, the world.

- Recipient of the Lighthouse District award by the NJDOE for equitable outcomes and innovative practices in 2020
- Highlighted by JerseyCan for Effective Instructional Practices and Use of Resources to Impact Student Achievement
- Ranked as a Tier 1 (Top Tier) School According to the NJDOE Performance Framework

- The only charter school awarded an NJ Learning Loss Grant in 2021 for our proven record of addressing unfinished learning and accelerating learning outcomes
- Our graduates outperformed Trenton city by 26% in Math and 31% in Reading and surpassed the state aggregate median student growth percentile by 11% on NJSLA in 2019

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

As a recipient of federal and state financial assistance, the school also is responsible for ensuring that an adequate control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the school management.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balances at June 30, 2021.

**6) ACCOUNTING SYSTEM AND REPORTS:** The Charter Schools’ accounting records reflect generally accepted accounting principles, as promulgated by the Government Accounting Standards Board (GASB). The accounting system of the school is organized on the basis of funds and account groups. These funds and account groups are explained in “Notes to the Financial Statements,” Note 1.

7) **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of report, the school continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General, Special Revenue and Proprietary funds for the fiscal period ended June 30, 2021.

Revenue	Amount	Percent of Total
Local Aid	\$4,881,215	58%
State Aid	2,103,543	25%
Federal Aid	675,171	8%
Misc. (Including \$623,484 in PPP/SBA Loan Forgiveness)	665,666	8%
Proprietary Fund	<u>132,421</u>	<u>1%</u>
Total	<u>\$8,458,016</u>	<u>100%</u>

The following schedule presents a summary of the General, Special Revenue and Proprietary fund expenditures for the fiscal period ended June 30, 2021.

Expenditures	Amount	Percent of Total
General Fund	\$6,343,094	89%
Special Revenue Fund	675,171	10%
Proprietary Fund	<u>132,421</u>	<u>1%</u>
Total	<u>\$7,150,686</u>	<u>100%</u>

8) **CASH MANAGEMENT:** The investment policy of the school is guided in large by the state Statute as detailed in “Notes to the Financial Statements,” Note 2. The school had adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with failed banking institutions in New Jersey. The law requires governmental units to deposit funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) **RISK MANAGEMENT:** The school carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, and hazard and theft insurance on property and Contents.



**10) OTHER INFORMATION:**

**Independent Audit** – State statutes require an annual audit by an independent Certified Public Accountant or Registered Municipal Accountant. The Accounting firm of Gerald D. Longo, CPA was selected by the Charter School.

In addition to meeting the requirements set forth in the state statutes, the Charter School is required to undergo an annual single audit in conformity with the provisions of the *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the New Jersey OMB's Circular 15-08, "*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*". Information related to this single audit, including the auditor's report on internal control and compliance with applicable *laws and regulations* and findings and recommendations are included in the single audit section of this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B. Falkowski', with a stylized flourish at the end.

Dr. Brian Falkowski  
School Business Administrator

**PAUL ROBESON PUBLIC CHARTER SCHOOL**

**ROSTER OF TRUSTEES  
JUNE 30, 2021**

<b><u>BOARD OF TRUSTEES</u></b>	<b><u>TERM EXPIRES</u></b>
Vijay Aggarwal - President	6/2024
Richard Wells, Trustee	6/2023
Kenneth Somberg, Trustee	6/2022
Thomas Rebar, Trustee	7/2022
Chuck Freyer, Trustee	2/2024
Alex Farjardo, Trustee	2/2024
Bryant Blount, Trustee	9/2024
Dr. Brian Falkowski, School Business Administrator, Non-voting	

**CONSULTANTS AND ADVISORS**  
**June 30, 2021**

**AUDIT FIRM**

Gerald D. Longo, CPA  
62 Old Queens Blvd.  
Manalapan, NJ 07726-3648

**ATTORNEYS**

Thomas O. Johnston, Esq.  
Johnston Law Firm LLC  
151 Forest Street, Suite A  
Montclair, New Jersey 07042

**OFFICIAL DEPOSITORY**

PNC Bank  
PO Box 609  
Pittsburgh, Pennsylvania 15230

## **FINANCIAL SECTION**

**GERALD D. LONGO**  
CERTIFIED PUBLIC ACCOUNTANT  
62 OLD QUEENS BLVD.  
MANALAPAN, NEW JERSEY 07726-3648

TELEPHONE  
732 446-4768

FAX  
732 792-0868

### **Independent Auditor's Report**

The Honorable Chairman and  
Members of the Board of Trustees  
Paul Robeson Charter School for the Humanities  
County of Mercer  
Trenton, New Jersey

#### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Trustees of the Paul Robeson Charter School for the Humanities, County of Mercer, State of New Jersey, as of and for the fiscal year and ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Paul Robeson Charter School for the Humanities 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit 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 and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*. Those standards require that I 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 entity'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 entity's internal control. Accordingly, I 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Paul Robeson Charter School for the Humanities as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

I draw your attention to Note 2 to the financial statements, which discloses adoption of Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, which enhances the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. My opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-employment benefits schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School basic financial statements, The accompanying supplementary information such as the combining and individual fund financial statements and the schedules of expenditures of federal and state awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform

Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and New Jersey's OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules such as the combining and individual fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate 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 my opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated March 1, 2022 on my consideration of the Paul Robeson Charter School for the Humanities internal control over financial reporting and on my 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 my 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* in considering the Paul Robeson Charter School for the Humanities internal control over financial reporting and compliance.

Licensed Public School Accountant No. 20CS00206400



Gerald D. Longo  
Certified Public Accountant  
March 1, 2022

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**



**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

This section of Paul Robeson Charter School for the Humanities annual financial report presents its discussion and analysis of the Board's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the Board's financial statements, which immediately follows this section.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2020-21 fiscal year include the following:

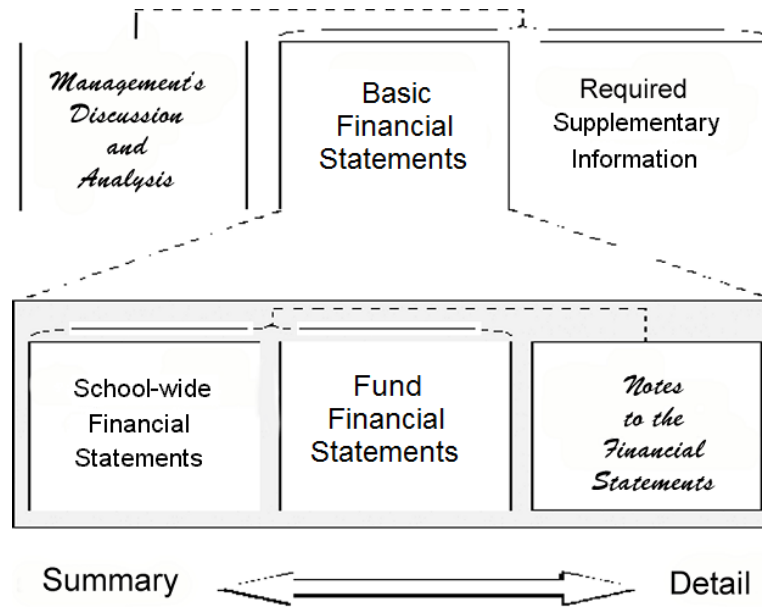
- Total Net Position (Deficit) is \$(672,748).
- The unassigned Governmental Fund balance at June 30, 2021 is \$1,734,701.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information that includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Paul Robeson Charter School for the Humanities.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

**Figure A-1. Required Components of the Board's Annual Financial Report**



- The first two statements are school-wide financial statements that provide both short-term and long-term information about the Paul Robeson Charter School for the Humanities overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Paul Robeson Charter School for the Humanities, reporting the Paul Robeson Charter School for the Humanities operation in more detail than the school-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the Food Service activities the Paul Robeson Charter School for the Humanities operates like businesses.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)**

The financial statements also include notes that explain some of the information in the statements and provide data that are more detailed. Figure A-1 summarizes the major features of the Paul Robeson Charter School for the Humanities financial statements, including the portion of the Paul Robeson Charter School for the Humanities activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

**Figure A-2 - Major Features of the School-wide and Financial Statements**

	<b>School-wide Statements</b>	<b>Fund Financial Statements</b>	
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>
Scope	Entire school (except fiduciary funds)	The activities of the Paul Robeson Charter School for the Humanities that are for the school operations and not proprietary or fiduciary, such as teachers' salaries, special education and building maintenance, food service, and community education	Activities the Paul Robeson Charter School for the Humanities operates similar to private businesses: Internal service fund
Required financial statements	Statement of net position	Balance sheet	Statement of net position
	Statement of activities	Statement of revenue expenditures and changes in fund balances	Statement of revenue, expenses, and changes in fund net position
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Statement of cash flows Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

**School-wide Statements**

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

The two school-wide statements report the Paul Robeson Charter School for the Humanities net position and how they have changed. Net position – the difference between the Paul Robeson Charter School for the Humanities assets and liabilities – are one way to measure the Paul Robeson Charter School for the Humanities financial health or position.

In the school-wide financial statements, the Paul Robeson Charter School for the Humanities activities are shown in two categories:

- *Governmental activities*- Most of the Paul Robeson Charter School for the Humanities basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state aid finance most of these activities.
- *Business-type activities*- The Paul Robeson Charter School for the Humanities Food Service Fund and the after school program are included here.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the Paul Robeson Charter School for the Humanities funds – focusing on its most significant or “major” funds – not the Paul Robeson Charter School for the Humanities as a whole.

Funds are accounting devices the Paul Robeson Charter School for the Humanities uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law.

Paul Robeson Charter School for the Humanities uses other funds, established in accordance with the State of New Jersey Uniform Chart, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

The Paul Robeson Charter School for the Humanities has two kinds of funds:

- **Governmental funds-** Most of the Paul Robeson Charter School for the Humanities basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Paul Robeson Charter School for the Humanities programs. Because this information does not encompass the additional long-term focus of the school-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds-** Services for which the Paul Robeson Charter School for the Humanities charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the school-wide statements.

**FINANCIAL ANALYSIS OF THE PAUL ROBESON PUBLIC CHARTER SCHOOL AS A WHOLE**

**Net position.** The Paul Robeson Charter School for the Humanities Net Position (Deficit) is (\$672,748) as of June 30, 2021. (See Table A-1).

Governmental	<u>(\$672,748)</u>
--------------	--------------------

The Statement of Net Position (Deficit) of (\$672,748) reflects total capital assets of \$320,088 at June 30, 2020 net of assumed depreciation from inception.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

The Paul Robeson Charter School for the Humanities financial position is the product of these factors:

- Special Revenue Fund - Federal Aid Revenues and expenditures were \$660,595
- General Fund Revenues were \$7,651,020
- General Fund Expenditures were \$6,343,690

**Table A-1**  
**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Statement of Net Position (Deficit) - School Wide**  
**As of June 30, 2021**

	<u>Total</u>
Current and Other Assets	\$1,832,410
Pension Deferred Outflows	224,097
Capital Assets, Net	320,088
<b>Total Assets and Pension Deferred Outflows</b>	<b><u>\$2,376,595</u></b>
Other Liabilities	\$76,941
Pension Liabilities and Deferred Inflows	2,972,402
<b>Total Liabilities and Pension Deferred Inflows</b>	<b><u>3,049,343</u></b>
Net Position (Deficit)	
Invested In Capital Assets, Net	320,088
Unrestricted Net Position (Deficit)	(992,836)
<b>Total Net Position (Deficit) - June 30, 2021</b>	<b><u><u>(\$672,748)</u></u></b>
Total Liabilities, Pension Deferred Inflows and Net Position (Deficit)	<b><u><u>\$ 2,376,595</u></u></b>
Fund Balance June 30, 2021 - Governmental	\$1,755,469
Invested In Capital Assets	320,088
Net Position before Pension Adjustment	<u>2,075,557</u>
Less: Pension Adjustment (Deficit) (Note 15)	<u>(2,748,305)</u>
Net Position (Deficit) - June 30, 2021 - Governmental	<b><u><u>(\$672,748)</u></u></b>

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

Table A-2  
**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Changes in Net Position (Deficit) - School Wide**  
**For the Fiscal Year Ended June 30, 2021**

<b>Revenues</b>	<u><b>Total</b></u>	<u><b>Percentage %</b></u>
Program revenues		
Charges for services	\$ -	
Operating grants and contributions		
General revenues		
State Share	4,881,215	62%
Federal and State Aid-Unrestricted	2,238,897	26%
Federal Aid-Restricted	675,171	8%
Proprietary Fund	132,421	2%
Miscellaneous	665,666	1%
Decrease in Capital Outlay	(25,431)	1%
<b>Total revenues</b>	<u><b>\$ 8,567,939</b></u>	<u><b>100%</b></u>
<b>Expenses</b>		
Regular Instruction	3,306,073	46%
General Administrative	1,818,437	24%
School Administrative	1,000,261	14%
On-behalf TPAF Social Security/Pension/Medical	873,511	12%
Capital Outlay	155,337	2%
Proprietary Fund	132,421	2%
<b>Total expenses</b>	<u><b>\$ 7,286,040</b></u>	<u><b>100%</b></u>
Increase in net position	<u>\$ 1,281,899</u>	
Net Position, Beginning July 1, 2020 (as originally stated)	\$ 513,977	
Prior Period Adjustment - Student Activity Reserve (Note 2U)	20,768	
Net Position - July 1, 2020 as restated	<u>\$ 534,745</u>	
Net Pension Adjustment (Deficit)	<u>(2,489,392)</u>	
Net Position, (Deficit) End of Year June 30, 2021 - After Pension Adjustment	<u><b>\$ (672,748)</b></u>	
Increase in Fund Balance	\$ 1,307,330	
Increase in Net Capital Outlay	(25,431)	
Net Increase in Net Position	<u>1,281,899</u>	
Net Position, (Deficit) - Beginning July 1, 2020 (as restated)	<u>534,745</u>	
Net Position, (Deficit) - Before Pension Adjustment	<b>1,816,644</b>	
Pension adjustment net (Note 15)	<u>(2,489,392)</u>	
Net Position - (Deficit) End of Year June 30, 2021 - After Pension Adjustment	<u><b>\$ (672,748)</b></u>	

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

Table A-3 (See Exhibit A-2)  
**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Changes in Total and Net Cost of Services Activities - School Wide**  
**For the Fiscal Year Ended June 30, 2021**

<u>Functions/Programs</u>	<u>Source</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
<b>School Wide Activities</b>			
Instruction			
Regular	B-2	\$ 3,306,073	\$ 3,306,073
<b>Support Services</b>			
General Administrative Services	B-2	1,818,437	1,742,841
School Administrative Services	B-2	1,000,261	1,000,261
On-behalf TPAF Social Security/Pension/Medical	B-2	873,511	738,157
Proprietary	G-2	132,421	132,421
Capital Outlay	B-2	155,337	155,337
<b>Total School Wide Activities</b>		<u>\$ 7,286,040</u>	<u>\$ 7,075,090</u>

**FINANCIAL ANALYSIS OF THE PAUL ROBESON PUBLIC CHARTER SCHOOL FUNDS**

The financial performance of the Paul Robeson Charter School for the Humanities as a whole is reflected in its governmental total activities Exhibit A-2. As the Paul Robeson Charter School for the Humanities completed the year, its General Fund reported an unassigned fund balance of \$1,734,701 and the Special Revenue Fund had a restricted student activity reserve of \$20,760.

Revenues for the Paul Robeson Charter School for the Humanities General, Special Revenue and Proprietary Funds were \$8,593,370 while total expenses were \$7,286,040.

**GENERAL FUND**

The General Fund includes the primary operations of the Paul Robeson Charter School for the Humanities in providing educational services to students from grade 3 through grade 8.



**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

The following schedule presents a summary of School Wide Revenues.

**Table A-4 (See Exhibit B-2)**  
**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Changes in General, Special and Enterprise Fund Revenues - School Wide**  
**For the Fiscal Years Ended June 30**

<b>General, Special Revenue and Enterprise Fund Revenues</b>	<b>Year Ended 06/30/2021</b>	<b>Year Ended 06/30/2020</b>	<b>Amount of Increase (Decrease)</b>
<b>Local Sources:</b>			
Local and State Share	\$ 5,473,590	\$ 4,929,337	\$544,253
Other Local Revenue	680,847	60,226	620,621
<b>Total Local Sources</b>	<b>\$ 6,154,437</b>	<b>\$ 4,989,563</b>	<b>\$1,164,874</b>
<b>Intergovernmental</b>			
State Sources	1,651,202	1,383,802	267,400
Federal Sources	787,731	406,878	380,853
<b>Total Intergovernmental Sources</b>	<b>\$ 2,438,933</b>	<b>\$ 1,790,680</b>	<b>\$648,253</b>
<b>Total Revenue - School Wide</b>	<b>\$ 8,593,370</b>	<b>\$ 6,780,243</b>	<b>\$1,813,127</b>

The following schedule presents a summary of School Wide expenditures.

**Table A-5 (See Exhibit B-2)**  
**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Changes in General, Special and Enterprise Fund Expenditures - School Wide**  
**For the Fiscal Years Ended June 30**

<b>General, Special Revenue and Enterprise Fund Expenditures</b>	<b>Year Ended 06/30/2021</b>	<b>Year Ended 06/30/2020</b>	<b>Amount of Increase (Decrease)</b>
<b>Current:</b>			
Regular Instruction	\$ 3,306,073	\$ 2,968,941	\$ 337,132
General Administrative Services	1,818,437	1,765,048	53,389
School Administration	1,000,261	1,077,043	(76,782)
On-behalf TPAF Social Security / Pension / Medical	873,511	719,759	153,752
Capital outlay	155,337	27,405	127,932
Proprietary Fund	132,421	173,603	(41,182)
<b>Total Expenditures - School Wide</b>	<b>\$ 7,286,040</b>	<b>\$ 6,731,799</b>	<b>\$ 554,241</b>

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

**UNRESERVED-UNDESIGNATED FUND BALANCE AS A PERCENTAGE OF EXPENDITURES**

The following table shows the School Wide Unassigned fund balance.

**Table A-6**  
**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Changes in Net Position - School Wide**  
**For the Fiscal Years Ended June 30**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Unassigned						
Fund Balance	1,734,701	427,371	378,626	411,764	426,649	307,713
Expenditures	7,286,040	6,731,799	6,720,817	6,539,832	6,357,808	6,522,820
Percentages	24%	6%	5%	6%	6%	4%

The Paul Robeson Charter School for the Humanities values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during school year. The amount of unassigned fund balance designated to support the subsequent years budgets \$1,734,701 for the 2021-22 school year.

**CAPITAL ASSETS**

As of June 30, 2021, in the General Fund, the Paul Robeson Charter School for the Humanities had invested \$694,165 in a broad range of capital assets, including leasehold improvements, computer and audio-visual equipment, and administrative offices. The total General Fund depreciation expense for the year was \$25,431.

**Table A-7**  
**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Summary of Capital Assets - School Wide**  
**For the Fiscal Year Ended June 30, 2021**

Leasehold Improvements	\$508,629
Equipment	185,536
<b>Total - General Fund</b>	<b><u>\$694,165</u></b>
Less: Accumulated Depreciation	(374,077)
<b>Total - Net Capital Assets General Fund</b>	<b><u><u>\$320,088</u></u></b>

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited)**

**FACTORS BEARING ON THE SCHOOL'S FUTURE**

While many factors influence the Charter School's future, the availability of State funding and the economy will have the most impact on educational and fiscal decisions in the future.

These and many other factors were considered by the Charter School's administration during the process of developing the fiscal year 2021-2022 budget. The primary factors were the Charter School's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs. These indicators were considered when adopting the budget for fiscal year 2021-2022.

**CONTACTING THE PAUL ROBESON PUBLIC CHARTER SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Paul Robeson Charter School for the Humanities finances and to demonstrate the Paul Robeson Charter School for the Humanities accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Paul Robeson Charter School for the Humanities, 643 Indiana Avenue, Trenton, New Jersey 08638

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the Paul Robeson Charter School for the Humanities operations. These financial statements present the financial position and operating results of all funds as of June 30, 2021.

**SCHOOL-WIDE FINANCIAL STATEMENTS**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Statement of Net Position (Deficit)**  
**As of June 30, 2021**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents - Unrestricted	\$ 1,388,002	\$ -	\$ 1,388,002
Receivables	343,397	15,979	359,376
Interfund	15,979	(15,979)	-
Security Deposit - Rental	64,264		64,264
Capital assets, net	320,088	-	320,088
Cash and Cash Equivalents - Restricted (Student Activity)	20,768		20,768
Total Assets	<u>2,152,498</u>	<u>-</u>	<u>2,152,498</u>
<b>Deferred outflows of resources</b>			
Pension deferred outflows	224,097		224,097
Total assets and deferred outflows of resources	<u>\$ 2,376,595</u>	<u>\$ -</u>	<u>\$ 2,376,595</u>
<b>LIABILITIES</b>			
Deferred Revenue	\$ 1,346	\$ -	\$ 1,346
Accounts Payable	75,595		75,595
Net pension liability - noncurrent	1,587,360		1,587,360
Total liabilities	<u>1,664,301</u>	<u>-</u>	<u>1,664,301</u>
<b>Deferred inflows of resources</b>			
Pension deferred inflows	<u>1,385,042</u>	<u>-</u>	<u>1,385,042</u>
<b>NET POSITION (Deficit)</b>			
Invested in capital assets, net	320,088	-	320,088
Restricted - Student Activity Groups (Note 2U)	20,768		20,768
Unrestricted (Note 15)	(1,013,604)	0	(1,013,604)
Total Net Position (Deficit)	<u>\$ (672,748)</u>	<u>\$ -</u>	<u>\$ (672,748)</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 2,376,595</u>	<u>\$ -</u>	<u>\$ 2,376,595</u>
Fund Balance June 30, 2021 - B-1 Governmental	\$1,755,469		
Cost of capital assets, net	320,088		
Net Position before pension adjustments	<u>2,075,557</u>		
Less pension adjustments net (Note 15) (Deficit)	(2,748,305)		
Total Net Position (Deficit) - June 30, 2021 Governmental	<u>\$ (672,748)</u>		

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

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Statement of Activities**  
**For the Fiscal Period Ended June 30, 2021**

Exhibit A-2

Functions/Programs	Program Revenues			Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ (3,306,073)		\$ (674,575)		\$ (2,631,498)		\$ (2,631,498)
Support services:							
General administration	(1,818,437)		-		\$ (1,818,437)		\$ (1,818,437)
School administrative services/ operations plant serv.	(1,000,261)				(1,000,261)		(1,000,261)
On - behalf TPAF Social Security/Pension/Medical	(873,511)				(873,511)		(873,511)
Capital Outlay	(155,337)				(155,337)		(155,337)
Total governmental activities	<u>(7,153,619)</u>		<u>(674,575)</u>		<u>(6,479,044)</u>		<u>(6,479,044)</u>
Business-type activities:							
Food Service and After School Program	(132,421)	(132,421)				(132,421)	(132,421)
Total business-type activities	<u>(132,421)</u>	<u>(132,421)</u>				<u>(132,421)</u>	<u>(132,421)</u>
Total primary government	<u>(7,286,040)</u>	<u>\$ (132,421)</u>	<u>\$ (674,575)</u>		<u>\$ (6,479,044)</u>	<u>\$ (132,421)</u>	<u>\$ (6,611,465)</u>
General revenues:							
Local Share					592,375		592,375
State Share					4,881,215	4,680	4,885,895
State and Federal Aid					1,646,522	127,136	1,773,658
Misc Income including PPP Forgiveness					666,262	605	666,867
Decrease in net Capital Outlay					(25,431)		(25,431)
Total general revenues, special items,					<u>7,760,943</u>	<u>132,421</u>	<u>7,893,364</u>
Change in Net Position - Increase					<u>1,281,899</u>	<u>0</u>	<u>1,281,899</u>
Net Adjustment for Pension Liability (Decrease)					<u>(2,489,392)</u>		<u>(2,489,392)</u>
Net Position - June 30, 2020 - as originally stated					513,977	0	513,977
Prior Period Adjustment GASB 84 (Note 2U)					20,768		20,768
Total Net Position June 30, 2020 as restated					<u>534,745</u>		<u>534,735</u>
Net Position (Deficit) - June 30, 2021					<u>\$ (672,748)</u>	<u>\$ -</u>	<u>\$ (672,748)</u>

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

## **FUND FINANCIAL STATEMENTS**



**GOVERNMENTAL FUNDS**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Balance Sheet**  
**Governmental Funds**  
**As of June 30, 2021**

	General Fund	Special Revenue Fund	Total
<b>ASSETS</b>			
Cash and Cash Equivalents - Unrestricted	\$ 1,388,002	\$ -	\$ 1,388,002
Receivables	309,888	33,509	343,397
Interfund	48,142	(32,163)	15,979
Security Deposit - Rental	64,264		64,264
Cash and Cash Equivalent - Restricted		20,768	20,768
Total assets	\$ 1,810,296	\$ 22,114	\$ 1,832,410
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	\$ 75,595	\$ -	\$ 75,595
Deferred Revenue		1,346	1,346
Total liabilities	75,595	1,346	76,941
Fund Balances:			
Resticted - Student Activity (Note 2U)		20,768	20,768
Unassigned	1,734,701		1,734,701
Total Fund balances	1,734,701	20,768	1,755,469
Total liabilities and fund balances	\$ 1,810,296	\$ 22,114	\$ 1,832,410

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

Governmental Fund Balances - June 30, 2021		\$ 1,755,469
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation	694,165 (374,077)	320,088
Net position before pension adjustments - June 30, 2021		\$ 2,075,557
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore, are not reported in the fund statements. (See Note 15)		224,097
Deferred Inflows related to pension actuarial gains from experience and differences in actual returns and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 15)		(1,385,042)
Long-term liabilities, including net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 15)		(1,587,360)
Net position (Deficit) of governmental activities - June 30, 2021		\$ (672,748)

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

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2021**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Local Sources:			
Local Share	\$ 4,881,215	\$	\$ 4,881,215
State Share	592,375		592,375
Miscellaneous - Including PPP Loan Forgiveness of \$623,484 (Note 16)	651,686	13,980	665,666
Total - Local Sources	<u>6,125,276</u>	<u>13,980</u>	<u>6,139,256</u>
State Sources	1,646,522	-	1,646,522
Federal Sources	14,576	660,595	675,171
Total Revenues	<u>\$ 7,786,374</u>	<u>\$ 674,575</u>	<u>\$ 8,460,949</u>
<b>EXPENDITURES</b>			
Current:			
Regular instruction	\$ 2,631,498	\$ 674,575	\$ 3,306,073
Support services- General Administrative	1,818,437	-	1,818,437
Support Services- School Admin/ operations plant serv	1,000,261		1,000,261
On-behalf TPAF Social Security / Pension / Medical	873,511		873,511
Capital outlay	155,337		155,337
Total expenditures	<u>6,479,044</u>	<u>674,575</u>	<u>7,153,619</u>
Excess (Deficiency) of revenues over expenditures	<u>1,307,330</u>	<u>\$ -</u>	<u>1,307,330</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-		-
Transfers out	-		-
Total other financing sources and uses	<u>-</u>		<u>-</u>
Net change in fund balances - Increase	<u>1,307,330</u>	<u>-</u>	<u>1,307,330</u>
Fund balance - July 1, 2020 - as originally stated	427,371	-	427,371
Fund balance - Restatement due to Implementation GASB 84 (Note 2U)	-	20,768	20,768
Fund balance - July 1, 2020 - as restated	<u>427,371</u>	<u>20,768</u>	<u>448,139</u>
Fund balance - June 30, 2021	<u>\$ 1,734,701</u>	<u>\$ 20,768</u>	<u>\$ 1,755,469</u>

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

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Period Ended June 30, 2021**

**Total net change in fund balances Increase - governmental funds (from B-2)** \$ 1,307,330

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$	(25,431)	
Capital outlays		-	
		-	\$ (25,431)

Pension contributions are reported in governmental funds as expenditures; however, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. -

**Change - Increase in net position of governmental activities (A-2)** \$ 1,281,899

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

## **PROPRIETARY FUNDS**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Statement of Net Position**  
**Proprietary Funds**  
**As of June 30, 2021**

	<u>Business-type Activities Enterprise funds</u>
<b>ASSETS</b>	
Current assets:	
Interfund	\$ (15,979)
Accounts receivable	15,979
Total current assets	-
Total assets	-
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	-
Total current liabilities	-
Total liabilities	-
<b>NET POSITION</b>	
Unrestricted	-
Total net position	\$ -

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

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**

Operating revenues:	
Charges for services:	
Daily sales - Reimbursable programs and Lunch Program	\$ (605)
Total operating revenues	(605)
Operating expenses:	
Cost of sales - Reimbursable programs	107,840
Salaries and Benefits	-
Rent	24,581
Total Operating Expenses	132,421
Operating income (loss)	131,816
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	4,680
Federal sources:	
National school breakfast program	48,879
National school lunch program	78,257
Total nonoperating revenues (expenses)	131,816
Income (loss) before contributions & transfers	-
Transfers in (out)	0
Change in net position	-
Total net position - beginning	0
Total net position - ending	\$ -

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

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Business-type Activities Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Participants	\$605
Payments to suppliers	(132,421)
Net cash provided by operating activities	(131,816)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Cash received from State and Federal subsidies	118,019
Net cash provided by non-capital financing activities	118,019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Net cash provided by (used for) investing activities	-
Net increase (decrease) in cash and cash equivalents	(13,797)
Cash and cash equivalents beginning of year	(2,181)
Cash and cash equivalents end of year	\$ (15,978)
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
(used for) operating activities	0
(Increase) decrease in accounts receivable, net	(13,797)
Total adjustments	(13,797)
Net cash provided by (used in) operating activities	\$ (13,797)

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



## **FIDUCIARY FUNDS**

**Exhibit B-7**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Fiduciary Funds  
Statement of Fiduciary Net Position  
As of June 30, 2021**

**NOT APPLICABLE**

**Exhibit B-8**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**NOTES TO THE BASIC FINANICAL STATEMENTS**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**1. DESCRIPTION OF THE CHARTER SCHOOL AND REPORTING ENTITY**

Paul Robeson Charter School for the Humanities ("Charter School") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board of Trustees (the "Board") consists of appointed officials and are responsible for the fiscal control of the Charter School. A director is appointed by the Board and is the administrative control of the Charter School.

A reporting entity is comprised primary government, component units and other organizations that are included to insure that the financial statements of the Charter School are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Charter School. For the Charter School, this includes general operations, food service and student related activities for the Charter School.

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the Charter School. Oversight responsibility includes financial interdependency, section of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the Charter School over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the Charter School is not includable in any other reporting entity on the basis of such criteria.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Charter School is presented to assist in understanding the Charter School's financial statements and notes are a representation of the Charter School's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States as applied to governmental units and have been consistently applied in the preparation of these financial statements.

The financial statements of the Charter School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. Basis of Presentation**

The Charter School's basic financial statements consists of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The statement of net position and the statement of activities display information about the Charter School as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

**Government-Wide Statements**

The statement of net position presents the financial condition of the governmental activities of the Charter School at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Charter School's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Charter School, with certain limited expectations. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Charter School.

**Fund Financial Statements**

During the fiscal year, the Charter School segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the Charter School at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column.

**B. Fund Accounting**

The Charter School uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

**Governmental Funds**

Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Charter School's major governmental funds:

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service of the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

**Proprietary Funds**

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the Charter School:

**Enterprise Fund** - The Enterprise Fund is utilized to account for operations that were financed and operated in a manner similar to private business enterprises - where the intent of the Charter School is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing education basis be financed or recovered primarily through user charges; or, where the Charter School has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into invested in capital assets net of related debt and unrestricted net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of fixed assets used by proprietary funds is charged as an expense against their operations.

**Fiduciary Funds**

Fiduciary Funds are used to account for assets held by the Charter School in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. As of June 30, 2021, there was no Fiduciary Fund due to the adoption of GASB Statement No. 84, Fiduciary Activities.

**C. Measurement Focus and Basis of Accounting**

***Measurement focus*** is a term used to describe "which" transactions are recorded within the various financial statements. ***Basis of accounting*** refers to "when" transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

On the government-wide statements of net position and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

Operating statement of these funds present increases (i.e., revenues and other financing sources), and decreases (i.e. Expenditures and other finances uses) during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary funds are accounted for on a flow economic resources measurement focus. With this measurement focus, the accounting adjectives are the determination of operating income, changes in net position (or cost recovery). financial position, and cash flow. All assets and all liabilities, whether current or non-current, associated with their activities are included on the balance sheet. Fund equity (i.e., net total assets) is classified as net position.



**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Accounting**

In the government wide statement of net position and statements of activities, both governmental and business like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting revenues are recognized when earned and expenses are recognized when the liability, resulting from exchange and exchange like transactions, is incurred (i.e. the exchange takes place).

In the fund financial statements, governmental fund and agency funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determine and "available" means collectible with the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental funds revenues.

**D. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of P.L 2004 c73 (S 1701).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America (GAAP) with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Exhibit C-3 represents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in Exhibit B-2.

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of P.L 2004 c73 (S 1701).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America (GAAP) with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

Exhibit C-3 represents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in Exhibit B-2.

**F. Encumbrances**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Charter School has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end. There were \$0 of encumbrances at June 30, 2021. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**G. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

Additionally, the Charter School has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method.

**I. Short-Term Interfund Receivables/Payables**

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

**J. Capital Assets**

General Fund capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market value as of the date received. The Charter School maintains a capitalization threshold of \$2,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description of Capital Cost</u>	<u>Estimated Lives (Years)</u>
Leasehold improvements	15
Furniture and Equipment	7

**K. Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Charter School and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

that relate to future services, or that are contingent on a specific event that is outside the control of the Charter School and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire sick leave and vacation liabilities are reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. The Charter School had a compensated absence liability of \$0 at June 30, 2021.

**L. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities those, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds. However, the noncurrent portion of compensated absences and mortgage payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

**M. Net Position/Fund Balance**

**School-Wide Statements**

In the school-wide statements, there are three classes of net position:

- Invested in Capital Assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included. Also included in invested in capital assets are amounts the Charter School prepaid in advance of the work performed.
- Restricted Net Position - reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- Unrestricted Net Position - any portion of net position not already classified as either net invested in capital assets or net position - restricted is classified as net position – unrestricted, which includes deferred inflows and outflows

**Fund Balance and Equity**

The Charter School follows GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (“GASB 54”), in establishing fund balance classifications that comprise a hierarchy based primarily on the extent to which government is bound to observe constraints imposed upon the use of resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds' financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. Nonspendable – includes amounts that cannot be spent because they either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed – includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority.
4. Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned – includes all spendable amounts not contained in the other classifications.

When both restricted and unrestricted resources are available for use, it is the Charter School’s policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the Charter School first spends committed funds, then assigned funds, and finally, unassigned funds.

**N. Unearned/Deferred Revenue**

Unearned/Deferred revenue in the special revenue fund represents cash that has been received but not yet earned.

**O. Fund Equity**

Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**P. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

**Q. On-Behalf Payments**

Revenues and expenditures of the General Fund include payment made by the state of New Jersey for Pension and social security contributions for certified teacher members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the Charter School's annual budget.

**R. Deferred Outflows/Inflows**

Deferred amounts on net pension liability are reported in the school-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School has one type which arise only under the accrual basis of accounting that qualify for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability.

Deferred amounts on net pension liability are reported in the school-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

**S. Compensated Absences**

The Charter School accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Charter School employees are granted varying amounts of vacation and sick leave in accordance with the Charter School's personnel policy. The Charter School's policy permits employees to accumulate unused sick and personal days and carry forward the full amount to subsequent years. Upon termination or upon retirement, employees are currently not paid for accrued vacation or unused sick and personal days.

As of June 30, 2021, Charter School-wide compensated absences amounted to \$-0-

**T. Fair Value of Financial Instruments**

The Charter School follows the accounting and disclosure standards pertaining to GASB No. 72, Fair Value Measurement and Application, for qualifying assets and liabilities. Fair value is defined as the price that the Charter School would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants at the measurement date.

The Charter School uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Charter School. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that are developed using market data, such as publicly available information about actual events or transactions, and which reflect the assumptions that market participants would use when pricing an asset or liability. Unobservable inputs are inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing an asset or liability.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

**Level 1** - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

**Level 2** - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

**Level 3** - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

**U. Adoption of New Accounting Standard**

During fiscal year 2021, the Charter School adopted GASB Statement No. 84, Fiduciary Activities (GASB 84). GASB 84 enhances the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Specifically, GASB 84 establishes



**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. As part of the adoption, the Charter School no longer considers activities in the Unemployment Fund Account, Payroll Agency Fund and Student activities as fiduciary activities applicable under GASB 84. As a result, the Charter School no longer presents a Statement of Fiduciary Net Position, and records payroll deductions and withholdings payable, unemployment activities in the General Fund in the Governmental Fund financial statements. The school had no activity in the student activity account and did not maintain a unemployment trust account.

Student activities are recorded in the Special Revenue Fund in the Governmental Fund financial statements. Special Revenue Fund balance as of June 30, 2020, was restated by \$20,768 to meet requirements of the new standard as follows:

Fund Balance, June 30, 2020 as previously stated	\$-0-	
Adoption of GASB 84	\$20,768	
Fund Balance, June 30, 2020 as restated	\$20,768	

**V. Deficit Net Position**

The Charter School has a deficit in unrestricted net position of (\$672,748) in governmental activities, which is primarily a result of net position liability and the related deferred inflows and outflows. This deficit does not indicate that the Charter School is in financial difficulties and is a permitted practice under generally accepted accounting principles.

**W. Accounting Standard Issued but Not Yet Adopted**

The GASB issued Statement No. 87, Leases in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 20, 2020. Management has not yet determined the impact of this statement on the financial statements.

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Charter School’s deposits might not be recovered. Although the Charter School does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Charter School in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

such as salary withholdings, and student activity funds, or funds that may pass to the Charter School relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. As of June 30, 2021, the Charter School's bank balances were insured by the FDIC and \$250,000 and the balance was protected by GUDPA.

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the

United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Charter School or bonds or other obligations of the local unit or units within which the Charter School is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2021, the Charter School had no investments.

**4 PENSION PLANS**

**Description of Plans** - Substantially all of the employees of the School are covered by either the Public Employee's Retirement System or the Teacher's Pension and Annuity Fund (both of which are contributory defined benefits plans). Both were established by state statute and are administered by the New Jersey Division of Pension and Benefit (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirements System and the Teacher's Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirements health care to substantially all full time certified teachers or professional staff of the public school systems in the State.

The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the School and the systems other related non-contributing employers.

Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**4 PENSION PLANS (continued)**

**Public Employees' Retirement System (PERS)** - The public Employees' Retirement Systems (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county municipality, School, or public agency provided the employee is not a member of another state-administered retirement system.

The public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State of New Jersey or any county, municipality, School, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

**Defined Contribution Retirement Program (DCRP)** - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

**Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15a and 43:03B and N.J.S.A. 18A: for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirements benefits for age and service are available at age 55 and are generally determine to be 1/55 of the final average salary for each year of service credit as defined.

Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for member who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the member's accounts.

**Significant Legislation** - Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

**Pension Plan Design Changes** - Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for receipt of

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**4**     **PENSION PLANS (continued)**

the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

**Funding Changes** - Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2019 for PERS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

**COLA Suspension**

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

**Contribution Requirements**

The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2001, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums. Under current statute the School is a non-contributing employer of TPAF (i.e., the State of New Jersey makes the employer contribution on behalf of public school districts and Schools).

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

The School's contribution to PERS for the year ended June 30, 2021 was \$106,485.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**4 PENSION PLANS (continued)**

In accordance with N.J.S.A 18A:66-66 the School recorded as revenue for the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries in the amount of \$192,257. Also the State paid \$681,253 into the TPAF pension representing on-behalf employer's portion of the TPAF Pension System Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long Term Disability Insurance Premium Contributions for the School. These amounts have been included in the school wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**5 PENSION PLANS – GASB 68 DISCLOSURES**

**Teachers' Pension and Annuity Fund (TPAF)**

***Summary of Significant Accounting Policies***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

The employer contributions for the Charter School are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the Charter School (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the Charter School (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the Charter School. However, the state's portion of the net pension liability that was associated with the Charter School was \$11,720,338 as measured on June 30, 2020 and \$8,718,855 as measured on June 30, 2019.

For the year ended June 30, 2021, the Charter School recognized pension expense of \$778,280 and revenue of \$778,280 for support provided by the State. The measurement period for the pension expense and revenue reported in the Charter School's financial statements (A-2) at June 30, 2021 is based upon changes in the collective net pension liability with a measurement period of June 30, 2020 through June 30, 2019. Accordingly, the pension expense and the related revenue associated

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**5 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

with the support provided by the State are based upon the changes in the collective net pension liability between July 1, 2019 and June 30, 2020.

Although the Charter School does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the Charter School. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$9,458,881,999	\$9,932,767,606
Collective deferred inflows of resources	\$14,424,322,612	\$17,539,845,423
Collective net pension liability (Non-employer - State of New Jersey)	\$ 65,848,796,740	\$ 61,519,112,443
State's portion of the net pension liability that was associated with the Charter School	\$11,720,338	\$8,718,855
State's portion of the net pension liability that was associated with the Charter School as a percentage of the collective net pension liability	.017798%	.014207%

***Actuarial Assumptions***

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation (Price):	2.75%
Inflation (Wage):	3.25%
Salary Increases: 2011-2026	1.55 - 4.55% based on years of service
Salary Increases: Thereafter	2.75 - 5.65% based on years of service
Investment Rate of Return:	7%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Postretirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**5 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits and the actuaries. The long term expected rate of return was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Risk mitigation strategies	27.00%	7.71%
Cash equivalents	13.50%	8.57%
U.S. Treasuries	5.50%	10.23%
Investment grade credit	13.00%	11.42%
High yield	3.00%	9.73%
Private credit	8.00%	9.56%
Real assets	2.00%	5.95%
Real estate	8.00%	7.59%
US equity	8.00%	2.67%
Non-U.S. developed markets equity	4.00%	0.50%
Emerging markets equity	5.00%	1.94%
Private equity	3.00%	3.40%

***Discount Rate***

The discount rate used to measure the State's total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020, based on the

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**5 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

Bond Buyer Go Twenty-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contributions rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the state. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and municipal bond rate was applied to project benefit payments after that date in determining the total pension liability.

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

Since the Charter School's has no proportionate share of the net pension liability because of the special funding situation, the Charter School would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at: <http://www.nj.gov/treasury/pensions/documents/financial/gasb68-tpaf20.pdf>

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at: <http://www.nj.gov/treasury/pensions/gasb-notices.shtml>.

**Public Employees' Retirement System (PERS)**

***Summary of Significant Accounting Policies***

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



**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**5 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

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

At June 30, 2021, the Charter School reported a liability of \$1,587,360 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020.

The Charter School’s proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2020. At June 30, 2020, the Charter School’s proportion was .009734%.

For the year ended June 30, 2021, the Charter School recognized pension expense (inflows) of \$(149,509). At June 30, 2021, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 28,903	\$ 5,614
Changes of assumptions	51,496	664,643
Net difference between projected and actual earnings on pension plan investments	54,257	676,856
Changes in proportion and differences between Charter School contributions and proportionate share of contributions	(17,084)	37,929
Charter School contributions subsequent to the measurement date.	106,485	-0-
Total	\$224,057	\$1,385,042

The Charter School reported \$106,485 as deferred outflows of resources related to pensions resulting from school Charter School contributions subsequent to the measurement date (i.e. for the school year ended June 30, 2021, the plan measurement date was June 30, 2019) will be recognized as a reduction of the net pension liability measured as of June 30, 2021.

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

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**5 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

	<u>Year Ended June 30:</u>
2021	(\$199,185)
2022	(181,596)
2023	(103,777)
2024	(41,966)
2025	(9,076)
Total:	<u><u>(\$535,600)</u></u>

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$2,347,583,337	\$3,419,522,616
Collective deferred inflows of resources	\$7,849,949,467	\$7,645,087,574
Collective net pension liability (Non-State-Local Group)	\$16,435,616,426	\$18,143,832,135
Charter School's proportion of net pension liability	\$1,587,360	\$1,665,130
Charter School's proportion percentage	.009734%	.009241%

***Actuarial Assumptions***

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

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

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

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**5 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

The following presents the Charter School’s proportionate share of the net pension liability measured as of June 30, 2020, calculated using the discount rate of 7.00%, as well as what the Charter School’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	<b>2020</b>		
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Charter School’s proportionate share of the net pension liability	\$1,851,921	\$1,587,360	\$1,360,594

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan’s fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at: <http://www.nj.gov/treasury/pensions/gasb-notices.shtml>.

***Long-Term Expected Rate of Return***

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. 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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**5 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

Best estimates of arithmetic real rates of return for each major asset class included in PERS’s target asset allocation as of June 30, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Risk mitigation strategies	27.00%	7.71%
Cash equivalents	13.50%	8.57%
U.S. Treasuries	5.50%	10.23%
Investment grade credit	13.00%	11.42%
High yield	3.00%	9.73%
Private credit	8.00%	9.56%
Real assets	2.00%	5.95%
Real estate	8.00%	7.59%
US equity	8.00%	2.67%
Non-U.S. developed markets equity	4.00%	0.50%
Emerging markets equity	5.00%	1.94%
Private equity	3.00%	3.40%

***Discount Rate***

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate is assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**6 POST RETIREMENT MEDICAL BENEFITS**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for charter schools.

As a result of implementing GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pension (GASB No. 75), the plan is classified as a multiple employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**6 POST RETIREMENT MEDICAL BENEFITS (continued)**

**Plan Description and Benefits Provided**

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local charter school employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund — Local Education Retired Employees Plan (including Prescription Drug Program Fund) — N.J.S.A. 52: 14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The State of New Jersey, Department of the Treasury, Division Pensions Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	\$216,804
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>149,304</u>
Total	<u>\$217,257</u>

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**6 POST RETIREMENT MEDICAL BENEFITS (continued)**

**Measurement Focus and Basis of Accounting**

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB). The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67.8 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2019 which were rolled forward to June 30, 2020.

**Actuarial Methods and Assumptions**

In the June 30, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a nonemployer contributing entity, under a special funding

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**6 POST RETIREMENT MEDICAL BENEFITS (continued)**

situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.18 billion to the OPEB plan in fiscal year 2019.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of

GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund — Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the charter school for the fiscal years ended June 30, 2021 and 2019 were \$162,350 and \$147,426, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund — Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the charter school was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund — Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2019 through June 30, 2020. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the charter school is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the charter school. Accordingly, the charter school's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the charter school. Therefore, in addition, the charter school does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**6 POST RETIREMENT MEDICAL BENEFITS (continued)**

For the fiscal year ended June 30, 2021, the charter school recognized in the charter school-wide statement of activities (accrual basis) OPEB expense of \$658,928. This amount has been included in the charter school-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the OPEB liability attributable to the charter school is \$4,097,517. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the charter school at June 30, 2020 to the total OPEB liability of the State Health Benefit Program Fund — Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the charter school was .01% percent, which increased from its proportionate share measured as of June 30, 2019 of .00% percent.

**Actuarial Assumptions**

The OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.45%
Rate Thereafter	1.55% to 4.45%
Mortality:	Pre-retirement and Post-retirement based on Pub-2010 Healthy
PERS	"General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.



**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**6 POST RETIREMENT MEDICAL BENEFITS (continued)**

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected.

The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	2.21 %
2020	June 30, 2019	3.50%

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

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the charter school for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**6 POST RETIREMENT MEDICAL BENEFITS (continued)**

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2019 Measurement Date	\$2,041,444
Changes Recognized for the Fiscal Year:	
Service Cost	412,848
Interest on the Total OPEB Liability	84,700
Differences Between Expected and Actual Experience	879,221
Changes of Assumptions	748,476
Gross Benefit Payments	(71,334)
Contributions from the Member	2,162
Net Changes	2,056,073
Balance, June 30, 2020 Measurement Date	\$4,097,517

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020. The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the charter school at June 30, 2020.

**Sensitivity of OPEB Liability**

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the charter school calculated using the discount rate of 2.21%, as well as what the State's proportionate share of the OPEB liability attributable to the charter school that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
State's Proportionate Share of the OPEB Liability Attributable to the charter school	\$4,939,768	\$4,097,517	\$3,438,958

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the charter school calculated using healthcare cost trend rates that are 1percentage-point lower or 1 -percentage-point higher than the current healthcare cost trend rates:

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**6 POST RETIREMENT MEDICAL BENEFITS (continued)**

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$3,307,654	\$4,097,517	\$5,038,068

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the charter school at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the charter school at June 30, 2020 were not provided by the pension system.

**7 ECONOMIC DEPENDENCY**

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

**8 CONTINGENT LIABILITIES**

The Charter School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government.

If expenditures are disallowed due to noncompliance with grant program regulations, the Charter School may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Charter School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Charter School.

The Charter School's attorney's letter advises that there is no litigation, pending litigation claims, contingent liabilities, unasserted claims for assessments or statutory violations which involved the Charter School and which might materially affect the Charter School's financial position.

**9 RISK MANAGEMENT**

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

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**9 RISK MANAGEMENT (continued)**

**Property and Liability Insurance** - The Charter School maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (UNAUDITED) of this Annual Comprehensive Financial Report.

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

**10 RECEIVABLES**

Receivables as of June 30, 2021 consisted of accounts, intergovernmental, grants and miscellaneous. All receivables are considered collectible in full.

A summary of the principal items of intergovernmental and proprietary fund receivables are as follows:

	<b>General</b>	<b>Special Revenue</b>	<b>Proprietary Fund</b>	<b>Total</b>
Receivables:				
Accounts	<u>\$309,888</u>	<u>\$33,509</u>	<u>\$15,979</u>	<u>\$359,376</u>
Gross Receivables	<u>\$309,888</u>	<u>\$33,509</u>	<u>\$15,979</u>	<u>\$359,376</u>

**11 CAPITAL ASSETS**

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2021:

	<b>Beginning Balance June 30, 2020</b>	<b>Net Additions (Deletions)</b>	<b>Ending Balance June 30, 2021</b>
<b>Governmental Activities</b>			
<b>Capital assets:</b>			
Leasehold Improvements	\$508,629	---	\$508,629
Furniture and Equipment	185,536	---	185,536
Total capital assets	\$694,165	\$0	\$694,165
Less accumulated depreciation for:			
Leasehold Improvements	\$163,110	\$25,431	\$188,541
Furniture and Equipment	185,536	---	185,536
Total accumulated depreciation	\$348,646	\$25,431	\$374,077
Total capital assets - net	\$345,519	\$25,431	\$320,088

Depreciation in the amount of \$25,341 was charged to an unallocated function.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**12**     **RENTAL LEASES**

The school leases its premises at 643 Indiana Avenue, Trenton, New Jersey under a lease agreement originally dated August 2010 with the Catholic Church of St. Hedwig. The lease required annual rental payments of \$383,047 for the first year and thereafter shall be adjusted by the percentage difference between the Base Index and the Price Index.

The school has extended the lease under options in the agreement for an additional 3 year period commencing July 1, 2020 to June 30, 2023. For the year ended June 30, 2021, annual rent expense amounted to \$390,708 which is reflected \$366,126 in General Fund and \$24,582 in the Enterprise Fund.

Future minimum rental commitments are as follows:

<b>Year Ended</b>	
<b>June 30:</b>	<b>Amount</b>
2022	\$398,522
2023	<u>\$406,493</u>
Total:	<u>\$805,015</u>

**Rental Security Deposit**

A security deposit of \$66,854 is reflected on the general fund balance sheet at June 30, 2021.

**13**     **ACADEMIC AND BUSINESS SERVICES AGREEMENT AND RELATED PARTY TRANSACTIONS – YOUNG SCHOLARS CHARTER SCHOOL, INC.**

In July 2017, the Charter School entered into a academic and business services agreement with Young Scholars Charter School, Inc. (a Pennsylvania not-for-profit-corporation) (a related party) to manage the operation of the school for the period July 1, 2017 and ending June 30, 2022 (initial term). During its term, the School will pay Young Scholars Charter School, Inc., a service fee equal to eight percent (8%) of the “Per Pupil Charter Payments” authorized to be paid to the School during the term under its Charter (including any increases therein, from and after the effective date of any such increase) by the Authorizer, State of New Jersey or by the Federal Government, directly or indirectly. The management fee including reimbursements amounted to \$603,180 for the year ended June 30, 2021.

**14**     **SUBSEQUENT EVENTS**

The Charter School has evaluated subsequent events occurring after the financial statement date through March 1, 2022 which is the date the financial statements were available to be issued. Based upon this evaluation, the Charter School has determined that the following subsequent events needed to be disclosed:

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**14**     **SUBSEQUENT EVENTS (continued)**

During fiscal year 2021, COVID-19 continued to be recognized as a global pandemic. Federal, state and local governments in the United States have imposed restrictions on travel and business operations. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration and the impact it will have on the Charter School's operations and financial position. As a result, the adverse impact COVID-19 will have on the Charter School's businesses, operating results, cash flows, and financial condition is uncertain. It is management's opinion that the adverse impact would not be material.

**15**     **RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**Explanation of Certain Differences Between the Governmental Fund Balance Sheet (B-1) and the Government-wide Statement of Net Position (A-1).**

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the Government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including deferred pension liability are not due and payable in the current period and therefore are not reported in the funds. The reconciliation is as follows:

Fund balance per B-1 as of June 30, 2021 - Governmental	\$1,755,469
Cost of capital assets net accumulated depreciation	320,088
Pension deferred outflows	224,097
Pension deferred inflows	(1,385,042)
Deferred pension liability as of June 30, 2021	<u>(1,587,360)</u>
Net position (Deficit) (per A-1) as of June 30, 2021 - Governmental	<u><u>\$(672,748)</u></u>

**16**     **LOAN PAYABLE PPP - SBA**

The Company received a loan from Kabbage Inc. in the amount of \$623,484 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. The loan bears interest at a rate of 1% and is payable in monthly installments of principal and interest over 24 months beginning 6 months from the date of the note. The loan may be repaid at any time with no prepayment penalty. The Company applied for and has been notified that \$623,484 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven. Loan forgiveness is reflected as Miscellaneous Revenue in the accompanying Statement of Revenues.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**17 SCHOOL BUILDING EXPANSION PROJECT**

The School has undertaken a study to consider future expansion to handle a projected increase of students. The school is interested in identifying and developing a permanent site, including one that could accommodate the potential future growth of student enrollment. Several consultants were engaged to undertake this project. For the year ended June 30, 2021, the school had expended a total of \$155,337 in costs related to this project. The School was denied the ability to expand by the NJ Department of Education in February, 2022. The Charter School is presently preparing to file an appeal of this ruling.

**18 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2021 is as follows:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	(\$48,142)	
Special Revenue Fund		(\$32,163)
Enterprise Fund		15,979
Total:	<u>(\$48,142)</u>	<u>(\$48,142)</u>

The above balances are the results of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in negative position. Liquidation of these interfund balances is expected within the next fiscal year.

**19 EQUIPMENT LEASES**

The Charter School leases office equipment under operating lease agreements. For the year ended June 30, 2021, the Charter School incurred \$93,234 in equipment lease expenditures. Future minimum lease payments required under the operating equipment leases are as follows:

<b>Year Ended June 30:</b>	<b>Equipment Leases</b>
2022	82,389
2023	40,167

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**



## **BUDGETARY COMPARISON SCHEDULES**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Period Ended June 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Share	\$ -		\$ -	\$ 4,881,215	\$ (4,881,215)
State Share	5,586,259	(112,669)	5,473,590	592,375	4,881,215
PPP/SBA Loan Forgiveness				623,484	(623,484)
Miscellaneous	-	-	0	28,202	(28,202)
<b>Total - Local Sources</b>	<u>5,586,259</u>	<u>(112,669)</u>	<u>5,473,590</u>	<u>6,125,276</u>	<u>(651,686)</u>
Special Education Aid	302,983	(94,047)	208,936	208,936	-
Adjustment Aid	434,250	(118,692)	315,558	315,558	-
Categorical Security Aid	230,931	17,586	248,517	248,517	-
TPAF LT Disability (On-Behalf - Non-Budgeted)				850	(850)
TPAF Medical (On-Behalf - Non-Budgeted)				162,350	(162,350)
TPAF Pension (On-Behalf - Non-Budgeted)	-		-	518,053	(518,053)
TPAF Social Security (Reimbursed - Non-Budgeted)				192,258	(192,258)
<b>Total State Sources</b>	<u>968,164</u>	<u>(195,153)</u>	<u>773,011</u>	<u>1,646,522</u>	<u>(873,511)</u>
Federal Sources:					
SEMI Aid				14,576	(14,576)
Medical Assistance Program					
<b>Total - Federal Sources</b>				<u>14,576</u>	<u>(14,576)</u>
<b>Total Revenues</b>	<u>6,554,423</u>	<u>(307,822)</u>	<u>6,246,601</u>	<u>7,786,374</u>	<u>(1,539,773)</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Teachers Salary	2,692,058	(385,064)	2,306,994	2,055,123	\$ 251,871
Other Salaries	69,360	16,930	86,290	86,290	-
Prof/Tech Services	333,190	13,003	346,193	334,973	11,220
Other Purchased Services (400-500 series)	20,500	15,029	35,529	34,830	699
General Supplies	304,354	(209,175)	95,179	95,179	-
Textbooks	25,000	(15,000)	10,000	1,633	8,367
Other Objects	37,867	(2,565)	35,302	23,470	11,832
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>3,482,329</u>	<u>(566,842)</u>	<u>2,915,487</u>	<u>2,631,498</u>	<u>283,989</u>

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Period Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Support Services - General Administrative</b>					
Salaries of Administrative Salaries	743,256	10,877	754,133	731,249	22,884
Salaries of Secretarial and Clerical Assistants		-	-	-	-
Cost of Benefits	910,748	(33,759)	876,989	764,188	112,801
Consultants	40,729	5,000	45,729	39,108	6,621
Other Purchased Services (400-500 series)	257,497	564	258,061	198,335	59,726
Communications/Telephone	49,000	5,538	54,538	45,530	9,008
Supplies and Materials	7,386	23,776	31,162	16,269	14,893
Other Objects	12,200	14,058	26,258	23,758	2,500
	<u>2,020,816</u>	<u>26,054</u>	<u>2,046,870</u>	<u>1,818,437</u>	<u>228,433</u>
<b>Support Services - School Admin/Operation Plant Services</b>					
Salaries	199,919	10,000	209,919	202,347	7,572
Purchased Professional and Technical Services	130,639	26,876	157,515	125,075	32,440
Other Purchased Services	145,385	1,282	146,667	146,667	-
Rental of Land and Building- other than Lease Purchase Agreements	383,047	7,661	390,708	366,125	24,583
Insurance	68,531	24,877	93,408	84,265	9,143
General Supplies	3,000	31,714	34,714	30,363	4,351
Transportation- Trips	12,462	-	12,462	-	12,462
Energy (Energy and Electricity)	70,200	(24,781)	45,419	45,419	-
Other Objects	595	-	595	-	595
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<u>1,013,778</u>	<u>77,629</u>	<u>1,091,407</u>	<u>1,000,261</u>	<u>91,146</u>
<b>Food Service</b>					
Other Purchased Services	-	-	-	-	-
<b>Total Food Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
On-behalf TPAF LT Disability Contributions (non-budgeted)				850	(850)
On-behalf TPAF Medical Contributions (non-budgeted)				162,350	(162,350)
On-behalf TPAF pension Contributions (non-budgeted)				518,053	(518,053)
Reimbursed TPAF Social Security Contributions (non-budgeted)				192,258	(192,258)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>873,511</u>	<u>(873,511)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>3,034,594</u>	<u>103,683</u>	<u>3,138,277</u>	<u>3,692,209</u>	<u>(553,932)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>6,516,923</u>	<u>(463,159)</u>	<u>6,053,764</u>	<u>6,323,707</u>	<u>(269,943)</u>

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Period Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Non-Instructional Equipment	-	-	-	-	-
Instructional Equipment	37,500	-	37,500	-	37,500
Lease payments	-	155,337	155,337	155,337	-
<b>Total Equipment</b>	<u>37,500</u>	<u>155,337</u>	<u>192,837</u>	<u>155,337</u>	<u>37,500</u>
<b>TOTAL EXPENDITURES- GENERAL FUND</b>	6,554,423	(307,822)	6,246,601	6,479,044	(232,443)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	-	1,307,330	(1,307,330)
<b>Other Financing Sources:</b>					
<b>Operating Transfer In:</b>	-	-	-	-	-
<b>Total Other Financing Sources:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	-	-	-	1,307,330	(1,307,330)
<b>Fund Balance, June 30, 2020</b>	-	-	-	427,371	
<b>Fund Balance, June 30, 2021</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,734,701</u>	<u>\$ (1,307,330)</u>

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2021**

Exhibit C-2  
Page 1

	<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources	\$ 13,980		\$ 13,980	\$ 13,980	
State Sources	-		-	-	
Federal Sources	660,595		660,595	660,595	
<b>Total Revenues</b>	<u>674,575</u>		<u>674,575</u>	<u>674,575</u>	
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	224,000		224,000	224,000	
Other Salaries for Instruction	-		-	-	
Purchased Professional -Educational Services	-		-	-	
Purchased Professional and Technical Services	112,490		112,490	112,490	
Food Service Subsidy	-		-	-	
Other Purchased Services (400-500 series)	-		-	-	
Textbooks	-		-	-	
General Supplies	275,949		275,949	275,949	
Personal Services- Employee Benefits	62,136		62,136	62,136	
Instructional services	-		-	-	
Equipment- Non instructional	-		-	-	
Recruitment	-		-	-	
<b>Total Instruction</b>	<u>674,575</u>	<u>-</u>	<u>674,575</u>	<u>674,575</u>	
<b>Support Services</b>					
Salaries of Supervisor of Instruction	-		-	-	
Salaries of Program Directors	-		-	-	
Salaries of Other Professional Staff	-		-	-	
Salaries of Secretaries & Clerical Assistants	-		-	-	
Other Salaries	-		-	-	
Personal Services - Employee Benefits	-		-	-	
Purchased Professional - Educational Services	-		-	-	
Other Purchased Professional Services	-		-	-	
Supplies	-		-	-	
Field Trips	-		-	-	
Scholarships	-		-	-	
Tuition	-		-	-	
Travel	-		-	-	
Other purchased Services (400-500 series)	-		-	-	
Building Improvements	-		-	-	
<b>Total Support Services</b>	<u>-</u>		<u>-</u>	<u>-</u>	

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Budgetary Comparison Schedule  
Special Revenue Fund  
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Buildings Improvements					
Instructional Equipment					
Noninstructional Equipment					
<b>Total Facilities Acquisition and Construction Services</b>					
<b>Transfer to Charter School</b>					
Total Expenditures	674,575		674,575	674,575	
<b>Total Outflows</b>					
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>					

**NOTES TO REQUIRED SUPPLEMENTARY  
INFORMATION**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to RSI  
For the Fiscal Year Ended June 30, 2021**

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

The general fund budget and the special revenue budget basis are GAAP, therefore no reconciliation is required.



**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
SCHEDULE OF CHARTER SCHOOL CONTRIBUTIONS - PERS  
FOR THE FISCAL YEARS ENDED JUNE 30\*  
(UNAUDITED)  
Public Employees' Retirement System (PERS)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Charter School Proportion of the net pension liability (asset)	0.009734%	0.009241%	0.013636%	0.013636%	0.014356%	0.014770%	0.018468%
Charter School Proportionate share of the net pension liability (asset)	1,587,360	1,665,130	2,040,554	2,040,554	3,341,897	4,374,565	4,145,741
Charter School Covered employee payroll	\$522,821	\$652,315	\$733,184	\$733,184	\$576,008	\$982,024	\$1,039,868
Charter School Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	304.0%	255.3%	278.3%	278.3%	580.1%	445.5%	398.7%
Plan fiduciary net position as a percentage of the total pension liability	33.00%	39.2%	35.9%	35.9%	17.2%	22.4%	25.1%

\*Until a full ten year trend is compiled, information will be presented for those years for which the information is available.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
SCHEDULE OF CHARTER SCHOOL CONTRIBUTIONS - PERS  
FOR THE FISCAL YEARS ENDED JUNE 30\*  
(UNAUDITED)  
Public Employees' Retirement System (PERS)**

	<u>2020</u>	<u>2019</u>	<u>2008</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$106,485	\$89,890	\$132,995	\$132,995	\$140,861	\$135,161	\$158,777
Contributions in relation to the contractually required contribution	(106,485)	(89,890)	(132,995)	(132,995)	(140,861)	(135,161)	(158,777)
Contribution deficiency (excess)	0	0	0	0	0	0	0
Charter School Covered employee payroll	522,851	652,315	733,184	733,184	576,008	982,024	1,039,868
Contributions as a percentage of covered employee payroll	20.3%	13.8%	18.1%	18.1%	24.5%	13.4%	15.3%

\*Until a full ten year trend is compiled, information will be presented for those years for which the information is available.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
SCHEDULE OF THE CHARTER SCHOOL PROPORTIONATE SHARE  
OF NET PENSION LIABILITY - TPAF  
FOR THE FISCAL YEARS ENDED JUNE 30  
(UNAUDITED)  
Teachers' Pension and Annuity Fund (TPAF)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Charter School Proportion of the net pension liability (asset)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charter School Proportionate share of the net pension liability (asset)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the Charter School	11,720,338	8,718,855	9,485,137	9,485,137	9,893,099	9,245,966	8,838,763
<b>Total</b>	<b>11,720,338</b>	<b>8,718,855</b>	<b>9,485,137</b>	<b>9,485,137</b>	<b>9,893,099</b>	<b>9,245,966</b>	<b>8,838,763</b>
Charter School Covered employee payroll	2,219,205	1,878,110	1,642,578	1,642,578	1,493,671	1,045,568	N/A
Charter School Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	26.49%	25.41%	22.33%	28.71%

\*\*NOTE: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the charter school (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the charter school.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
PENSION SCHEDULES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(UNAUDITED)**

**Public Employees' Retirement System (PERS)**

*Changes of benefit terms.* The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

*Changes of assumptions.* Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

**Teachers' Pension and Annuity Fund (TPAF)**

*Changes of benefit terms.* The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

*Changes of assumptions.* Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (TPAF AND PERS)**  
**(UNAUDITED)**  
**Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>The State of New Jersey's Total OPEB Liability</u></b>				
Service Cost	\$1,790,973,822	\$1,734,404,850	\$1,984,642,729	\$2,391,878,884
Interest	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736
Change in Benefit Terms				
Difference Between Expected and Actual Experience	11,544,750,637	(7,323,140,818)	(5,002,065,740)	
Benefit Payment	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)
Contributions from Members	35,781,384	37,971,171	42,614,005	45,748,749
Changes of Assumptions or other inputs	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)
<b>Net change in total OPEB liability</b>	<b><u>\$26,080,881,563</u></b>	<b><u>(\$4,381,751,937)</u></b>	<b><u>(\$7,529,008,876)</u></b>	<b><u>(\$4,191,942,326)</u></b>
<b>Total OPEB Liability - Beginning</b>	<b>\$41,729,081,045</b>	<b>\$46,110,832,982</b>	<b>\$53,639,841,858</b>	<b>\$57,831,784,184</b>
<b>Total OPEB Liability - Ending</b>	<b><u>\$67,809,962,608</u></b>	<b><u>\$41,729,081,045</u></b>	<b><u>\$46,110,832,982</u></b>	<b><u>53,639,841,858</u></b>
<b>The State of New Jersey's total OPEB liability**</b>	<b>\$67,809,962,608</b>	<b>\$41,729,081,045</b>	<b>\$46,110,832,982</b>	<b>\$53,639,841,858</b>
<b>The State of New Jersey's OPEB liability attributable to the Charter School</b>	<b>\$4,097,517</b>	<b>\$2,041,444</b>	<b>\$1,709,575</b>	<b>\$2,248,263</b>
<b>The Charter School's proportionate share of the total OPEB liability</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Charter School's covered employee payroll</b>	<b>\$2,742,056</b>	<b>\$2,530,425</b>	<b>\$2,375,762</b>	<b>\$2,190,677</b>
<b>Total Charter School's OPEB liability as a percentage of its covered-employee payroll</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Charter School's contribution</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>State's covered employee payroll</b>	<b>\$14,267,738,657</b>	<b>\$13,929,083,479</b>	<b>\$13,640,275,833</b>	<b>\$13,493,400,208</b>
<b>Total State's OPEB liability as a percentage of its covered-employee payroll</b>	<b>475.00%</b>	<b>300.00%</b>	<b>338.05%</b>	<b>397.53%</b>

\*\*Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

\*Until a full ten year trend is compiled, information will be presented for those years for which information is available.

## **SPECIAL REVENUE FUND**

Special Revenue Funds are used to account for the proceeds of special revenue resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures- Budgetary Basis  
For the Fiscal Year Ended June 30, 2021**

	<b>TOTALS</b>	<b>TITLE I PART A</b>	<b>TITLE I REALLOCATED</b>	<b>CARES ACT STABILIZATION</b>	<b>CRF Grant FUND</b>	<b>IDEA BASIC</b>	<b>LOCAL PROJECT</b>
<b>REVENUES</b>							
Intergovernmental							
State							
Federal	\$660,595	\$315,779	\$2,856	\$206,258	\$55,711	\$79,991	\$0
Other Sources							
Miscellaneous	13,980						13,980
Total Revenues	<u>674,575</u>	<u>315,779</u>	<u>2,856</u>	<u>206,258</u>	<u>55,711</u>	<u>79,991</u>	<u>13,980</u>
<b>EXPENDITURES</b>							
<b>Instruction</b>							
Salaries							
Salaries -Other Instruction	224,000	224,000	0				
Other Purchased Services	0						
Purchased Prof. and Tech.and Edu Services	112,490	29,643	2,856			79,991	0
General Supplies	275,949			206,258	55,711		13,980
Recruitment							
Personal Services - Employee Benefits	62,136	62,136	0				
Food Service Subsidy							
Textbooks							
Instructional Services							
Equipment Non- Instructional							
Total Instruction	<u>674,575</u>	<u>315,779</u>	<u>2,856</u>	<u>206,258</u>	<u>55,711</u>	<u>79,991</u>	<u>13,980</u>
<b>Support Services</b>							
Salaries of Supervisors of Instruction							
Salaries of Program Directors							
Salaries of Other Prof. Staff							
Salaries of Secretarial and Clerical Ass't							
Personal Services - Employee Benefits							
Supplies and Materials							
Other Purchased Services							
Purchased Professional/Educational Services							
Class- room Improvements							
Building Improvements							
Non instructional Equipment							
Total Support Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL EXPENDITURES</b>	<u>\$674,575</u>	<u>\$315,779</u>	<u>\$2,856</u>	<u>\$206,258</u>	<u>\$55,711</u>	<u>\$79,991</u>	<u>\$13,980</u>

## **PROPRIETARY FUNDS**



## **ENTERPRISE FUND**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the cost of providing goods and services be financed through user charges or where the board has decided that periodical determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Food Service Fund** - The fund provides for the operation of food services in all schools.

Exhibit G-1

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
 Statement of Net Position  
 Proprietary Funds  
 As of June 30, 2021

	<u>Business-Type Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	
Interfund	(\$15,979)
Intergovernmental Receivable	
Federal	15,312
State	667
Total Current Assets	<u>0</u>
Total Assets	<u><u>\$0</u></u>
LIABILITIES	
Accounts Payable	<u>0</u>
Total Current Liabilities	<u>\$0</u>
Net Position	
Unrestricted	0
Invested in capital assets, net	
Total Net Position	<u><u>\$0</u></u>

Exhibit G-2

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Business-Type Activities</b>
<b>OPERATING REVENUES</b>	
Local Sources	
Daily Sales - Reimbursable Programs	
Self Pay Revenue	605
Total Operating Revenues	605
 <b>OPERATING EXPENSES</b>	
Salaries, wages and employee benefits	\$ -
Cost Of Goods Sold	107,840
Rent	24,581
Total Operating Expenses	132,421
 Income (Loss) From Operations	(131,816)
 Nonoperating Revenues	
State Sources	
State Sources	4,680
Federal Sources	
School Breakfast Program	48,879
National School Lunch Program	78,257
Total Nonoperating Revenues	131,816
Increase (Decrease) in Net Position	0
Transfer From General Fund	0
Total Net Position - July 1, 2020	0
 Total Net Position - June 30, 2021	\$0

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Statements of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**

Cash flows from operating activities	\$605
Cash Payments supplies, material and other	<u>(132,421)</u>
Net Cash (Used) by Operating Activities	<u>(131,816)</u>
Cash Flows from Noncapital Financing Activities	
Transfer From General Fund	0
Cash Received from State and Federal Subsidy Reimbursements	<u>118,019</u>
Net Cash Provided by Noncapital Financing Activities	<u>118,019</u>
Cash Flows from Investing Activities	
Net Cash Provided by Investing Activities	<u>                    </u>
Net Increase in Cash and Cash Equivalents	<u>(13,797)</u>
Cash and Cash Equivalents, Beginning of Year	<u>(2,181)</u>
Cash and Cash Equivalents, End of Year	<u><u>(\$15,978)</u></u>
Reconciliation of Operating (Loss) to Net Cash	
Used by Operating Activities	
Operating (Loss)	<u>\$0</u>
Adjustments to Reconcile Operating (Loss) to	
Net Cash Used by Operating Activities	
Interfund Increase	0
Increase in Accounts Receivable	(13,797)
Change in Assets and Liabilities	<u>(13,797)</u>
Total Adjustment	<u>(13,797)</u>
Net Cash Provided (Net Used) By Operating Activities	<u><u>(\$13,797)</u></u>

**FIDUCIARY FUNDS  
(NOT APPLICABLE)**

**Exhibit H-1**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Fiduciary Funds  
Combining Statement of Agency Fund Net Position  
As of June 30, 2021**

**NOT APPLICABLE**

**Exhibit H-2**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Nonexpendable Trust Fund  
Combining Statement of Agency Fund Net Position  
Fiduciary Funds  
As of June 30, 2021**

**NOT APPLICABLE**

**Exhibit H-3**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**



**Exhibit H-4**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**Exhibit H-5**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Unemployment Compensation Insurance Trust Fund  
Statement of Receipts and Disbursements  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

## STATISTICAL SECTION

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

### **Contents**

### **Exhibits**

#### **Financial Trends**

J- 1 to J-5

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

#### **Revenue Capacity**

J-6 to J-9

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

#### **Debt Capacity**

J-10 to J-13

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

#### **Demographic and Economic Information**

J-14 and J-15

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

#### **Operating Information**

J-16 to J-20

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

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

## **FINANCIAL TRENDS**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
NET POSITION BY COMPONENT  
FOR THE FISCAL YEARS ENDED JUNE 30  
ACCRUAL BASIS OF ACCOUNTING  
(UNAUDITED)**

	2021	2020	2019	2018	2017	2016
Governmental activities						
Invested in capital assets, net	\$ 320,088	\$ 345,519	\$ 342,490	\$ 388,256	\$ 434,022	\$ 479,788
Restricted - Student Activity Reserve	20,760	-				
Unrestricted Fund Balance	1,734,701	427,370	378,626	411,764	426,649	307,713
Total governmental activities net position	<u>\$ 2,075,549</u>	<u>\$ 772,889</u>	<u>\$ 721,116</u>	<u>\$ 800,020</u>	<u>\$ 860,671</u>	<u>\$ 787,501</u>
Business-type activities						
Invested in capital assets						
Restricted	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School-wide						
Invested in capital assets, net	320,088	345,519	342,490	388,256	434,022	479,788
Restricted - Student Activity Reserve	20,760	-	-	-	-	-
Unrestricted Fund Balance	1,734,701	427,370	378,626	411,764	426,649	307,713
Total school net position	<u>\$ 2,075,549</u>	<u>\$ 772,889</u>	<u>\$ 721,116</u>	<u>\$ 800,020</u>	<u>\$ 860,671</u>	<u>\$ 787,501</u>

**Source: School Financial Statements**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
CHANGES IN NET POSITION  
FOR THE FISCAL YEARS ENDED JUNE 30  
ACCRUAL BASIS OF ACCOUNTING  
(UNAUDITED)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Expenses</b>						
Governmental activities						
Instruction						
Regular	\$3,306,073	\$2,968,941	\$3,041,951	\$2,879,935	\$2,682,731	\$3,070,019
Support Services:						
General administration	1,818,437	1,765,048	1,962,309	2,094,244	1,894,511	1,732,398
School Administrative Services	1,873,772	1,796,802	903,817	1,334,404	1,574,117	1,481,731
Capital outlay	155,337	27,105	574,878	0	0	23,350
Unallocated depreciation	25,431	24,076	45,766	45,766	45,766	54,288
Total governmental activities expenses	<u>7,179,050</u>	<u>6,581,972</u>	<u>6,528,721</u>	<u>6,354,349</u>	<u>6,197,125</u>	<u>6,361,786</u>
Business-type activities:						
Food service	132,421	173,603	237,862	231,249	202,449	215,322
Total business-type activities expense	<u>132,421</u>	<u>173,603</u>	<u>237,862</u>	<u>231,249</u>	<u>202,449</u>	<u>215,322</u>
Total school expenses	<u>\$7,311,471</u>	<u>\$6,755,575</u>	<u>\$6,766,583</u>	<u>\$6,585,598</u>	<u>\$6,399,574</u>	<u>\$6,577,108</u>
<b>Program Revenues</b>						
Governmental activities:						
Operating grants and contributions	\$674,575	\$398,452	\$500,066	\$408,858	\$361,033	\$358,737
Capital grants and contributions						
Total governmental activities program revenues	<u>674,575</u>	<u>398,452</u>	<u>500,066</u>	<u>408,858</u>	<u>361,033</u>	<u>358,737</u>
Business-type activities:						
Charges for services						
Food service	132,421	173,603	237,862	231,249	202,449	215,322
Operating grants and contributions	0	0	0	0	0	0
Capital grants and contributions						
Total business type activities program revenues	<u>132,421</u>	<u>173,603</u>	<u>237,862</u>	<u>231,249</u>	<u>202,449</u>	<u>215,322</u>
Total school program revenues	<u>\$806,996</u>	<u>\$572,055</u>	<u>\$737,928</u>	<u>\$640,107</u>	<u>\$563,482</u>	<u>\$574,059</u>
<b>Net (Expense)/Revenue</b>						
Governmental activities	(\$6,504,475)	(\$6,183,520)	(\$6,028,655)	(\$5,945,491)	(\$5,835,092)	(\$6,003,049)
Business-type activities	\$0	\$0	\$0	\$0	\$0	\$0
Total school-wide net expense	<u>(\$6,504,475)</u>	<u>(\$6,183,520)</u>	<u>(\$6,028,655)</u>	<u>(\$5,945,491)</u>	<u>(\$5,835,092)</u>	<u>(\$6,003,049)</u>

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
CHANGES IN NET POSITION  
FOR THE FISCAL YEARS ENDED JUNE 30  
ACCRUAL BASIS OF ACCOUNTING  
(UNAUDITED)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>General Revenues and Other Changes in Net Position</b>						
Governmental activities:						
Local share	\$4,881,215	\$555,754	\$4,784,266	\$4,829,105	\$4,823,524	\$4,890,391
State and Federal Aid	2,253,473	5,619,858	1,135,417	881,015	881,002	661,040
Miscellaneous income	651,686	32,576	30,068	107,550	204,536	28,217
Decrease in Net Capital Outlay	0	27,105	0	0	0	(54,288)
Transfers						
Total governmental activities	<u>\$7,786,374</u>	<u>\$6,235,293</u>	<u>\$5,949,751</u>	<u>\$5,817,670</u>	<u>\$5,909,062</u>	<u>\$5,525,360</u>
Business-type activities:						
Board Contributions	0	0	0	0	0	0
Total business-type activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total school-wide	<u>\$7,786,374</u>	<u>\$6,235,293</u>	<u>\$5,949,751</u>	<u>\$5,817,670</u>	<u>\$5,909,062</u>	<u>\$5,525,360</u>
<b>Change in Net Position (decrease)</b>						
Governmental activities	\$1,281,899	\$51,773	(\$78,904)	(\$60,651)	\$73,970	(\$477,689)
Business-type activities	\$0	\$0	\$0	\$0	\$0	\$0
Total school	<u>\$1,281,899</u>	<u>\$51,773</u>	<u>(\$78,904)</u>	<u>(\$60,651)</u>	<u>\$73,970</u>	<u>(\$477,689)</u>

Source: School Financial Statements

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEARS ENDED JUNE 30  
MODIFIED ACCRUAL BASIS OF ACCOUNTING  
(UNAUDITED)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund						
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned Fund Balance	1,734,701	427,370	378,626	411,764	426,649	307,713
Total general fund	<u>\$ 1,734,701</u>	<u>\$ 427,370</u>	<u>\$ 378,626</u>	<u>\$ 411,764</u>	<u>\$ 426,649</u>	<u>\$ 307,713</u>
All Other Governmental Funds						
Reserved - Student Activity	\$ 20,768					
Unreserved, reported in:						
Total all other governmental funds	<u>\$ 20,768</u>					

**Source: School Financial Statements**



**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
GOVERNMENTAL REVENUES AND EXPENDITURES  
FOR THE FISCAL YEARS ENDED JUNE 30  
MODIFIED ACCRUAL BASIS OF ACCOUNTING  
(UNAUDITED)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>						
Local tax Levy	\$592,375	\$555,754	\$4,784,266	\$4,829,105	\$4,823,524	\$4,890,391
Other miscellaneous revenue	652,291	60,226	63,073	131,714	234,711	37,778
State sources	6,532,417	5,615,280	1,120,748	935,229	852,753	626,349
Federal sources	816,287	548,983	719,592	628,899	565,756	599,189
Total revenue	<u>8,593,370</u>	<u>6,780,243</u>	<u>6,687,679</u>	<u>6,524,947</u>	<u>6,476,744</u>	<u>6,153,707</u>
<b>Expenditures</b>						
Instruction						
Regular Instruction	3,306,073	2,968,941	3,041,951	2,879,935	2,682,731	3,070,019
Support Services:						
General administration	1,818,437	1,765,048	1,962,309	2,094,244	1,894,511	1,732,398
School administrative services/Plant	1,000,261	1,077,043	903,817	817,507	1,149,537	1,162,905
TPAF Social Security / Pension / Medical	873,511	719,759	574,878	516,897	424,580	318,826
Food Service	132,421	173,603	237,862	231,249	206,449	215,322
Capital outlay	155,337	27,105	0	0	0	23,350
Total expenditures	<u>7,286,040</u>	<u>6,731,499</u>	<u>6,720,817</u>	<u>6,539,832</u>	<u>6,357,808</u>	<u>6,522,820</u>
Excess (Deficiency) of revenues over (under) expenditures						
<b>Other Financing sources (uses)</b>						
Transfers in						
Transfers out						
Total other financing sources (uses)						
Net change in fund balance	<u>\$1,307,330</u>	<u>\$48,744</u>	<u>(\$33,138)</u>	<u>(\$14,885)</u>	<u>\$118,936</u>	<u>(\$369,113)</u>

**Source: School Financial Statements**

## **REVENUE CAPACITY**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**General Fund - Other Local Revenue By Source**  
**For the Fiscal Years Ended June 30**  
**(UNAUDITED)**

	<u>Donation</u>	<u>PPP/SBA LOAN FORGIVENESS</u>	<u>Miscellaneous</u>	<u>Totals</u>
2016			\$28,217	\$28,217
2017			\$212,233	\$212,233
2018			\$107,550	\$107,550
2019			\$30,068	\$30,068
2020			\$32,576	\$32,576
2021		\$623,484	\$28,202	\$651,686

**Source: School Financial Statements**

**Exhibit J-6**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Assessed Value and Actual Value of Taxable Property  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**Exhibit J-7**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Direct and Overlapping Property Tax Rates  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**Exhibit J-8**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Principal Property Taxpayers  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

## **DEBT CAPACITY**

**Exhibit J-9**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Property Tax Levies and Collections  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**



**Exhibit J-10**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Ratios of Outstanding Debt by Type  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**Exhibit J-11**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Ratios of Net General Bonded Debt Outstanding  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**Exhibit J-12**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Direct and Overlapping Governmental Activities Debt  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

**Exhibit J-13**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Legal Debt Margin Information  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**Exhibit J-14**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Demographic and Economic Statistics  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**OPERATING INFORMATION  
(UNAUDITED)**

**Exhibit J-15**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Principal Employers  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**



**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Full-time Equivalent School Employees by Function/Program**  
**For the Fiscal Years Ended June 30**  
**(UNAUDITED)**

<u>Function/Program</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Instruction						
Regular	36	33	33	30	28	35
Special education						
Other special education						
Vocational						
Other instruction						
Nonpublic school programs						
Adult/continuing education programs						
Support Services:						
Student & instruction related services	8	8	8	7	9	12
General administration	9	7	7	7	7	8
School administrative services						
Other administrative services						
Central services						
Administrative Information Technology						
Plant operations and maintenance	1					
Pupil transportation						
Other support services						
Special Schools						
Food Service	2	2	2	2	2	1
Child Care						
Total	<u>56</u>	<u>50</u>	<u>50</u>	<u>46</u>	<u>46</u>	<u>56</u>

**Source:** School Personnel Records

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Operating Statistics**  
**For the Fiscal Years Ended June 30**  
**(UNAUDITED)**

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures</b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Elementary and Middle School</b>	<b>Average Daily Enrollment (ADE)</b>	<b>Average Daily Attendance (ADA)</b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
2016	371.1	6,522,820	17.576	-7.30%	35	11:1	367.0	347.0%	0.60%	94.60%
2017	378	6,357,808	16.819	-1.30%	35	11:1	378.0	362.0%	--	--
2018	374.7	6,539,832	17.440	3.60%	35	11:1	374.7	356.0%	0.8%	92%
2019	375	6,720,817	17.922	2.80%	33	11:1	375.0	356.0%	0.80%	95%
2020	375	6,557,896	17.487	-2.40%	33	11:1	375.0	337.6%	-5.00%	97%
2021	430	7,286,040	16.944	-3.10%	36	11:1	430.0	395.6%	14.6%	92%

Sources: School records

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**School Building Information**  
**For the Fiscal Years Ended June 30**  
**(UNAUDITED)**

<b><u>School Building</u></b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Main Campus						
Square Feet	35,000	35,000	35,000	35,000	35,000	35,000
Capacity (students)	430	400	400	400	400	400
Enrollment	430	375	375	375	378	371

**Source:** School Office

**Exhibit J-19**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
General Fund - Schedule of Required Maintenance  
For the Fiscal Year Ended June 30, 2021**

**NOT APPLICABLE**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2021**  
**(UNAUDITED)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
General Liability		
Each Occurrence	1,000,000	-
General Aggregate	3,000,000	-
Abuse / Molestation		
Each Occurrence	1,000,000	-
General Aggregate	2,000,000	-
Hired / Non-Owned Auto	1,000,000	-
Property	7,375,000	1,000
Umbrella		
Each Occurrence	5,000,000	-
Aggregate	5,000,000	-
Student Accident	25,000	-
Management Liability		
Educators E&O / EPL	1,000,000	15,000
IEP Hearing Liability up to \$100,000 for certain claims	100,000	5,000 - 15,000
Workers' Compensation		
Each Accident	1,000,000	-
Disease - Policy Limiy	1,000,000	-

**CHARTER SCHOOL PERFORMANCE  
FRAMEWORK FINANCIAL INDICATORS**

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
FINANCIAL PERFORMANCE - FINANCIAL RATIOS  
FOR THE FISCAL YEARS ENDED JUNE 30  
(UNAUDITED)**

**Charter School Performance Framework Financial Indicators  
Near Term Indicators**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Cash and Cash Equivalents	1,408,770	772,695	59,134	299,489	370,618	323,979
Current Assets	1,832,410	1,050,855	412,820	607,930	641,121	579,986
Capital Assets-Net	320,088	345,519	342,490	388,256	434,022	479,788
Total Assets	<u>2,152,498</u>	<u>1,396,374</u>	<u>755,310</u>	<u>996,186</u>	<u>1,075,143</u>	<u>1,059,774</u>
Current Liabilities	76,941	623,484	34,194	196,166	214,272	272,273
Long Term Liabilities	0	0	0	0	0	0
Total Liabilities	<u>76,941</u>	<u>623,484</u>	<u>34,194</u>	<u>196,166</u>	<u>214,272</u>	<u>272,273</u>
Net Position	<u>2,075,557</u>	<u>427,371</u>	<u>378,626</u>	<u>800,020</u>	<u>860,871</u>	<u>787,501</u>
Total Revenue	8,432,585	6,780,243	6,687,679	6,524,947	6,069,945	5,938,395
Total Expenses	<u>(7,150,686)</u>	<u>(6,731,499)</u>	<u>(6,720,817)</u>	<u>(6,539,832)</u>	<u>(5,996,775)</u>	<u>(6,307,498)</u>
Change in Net Position	<u>1,281,899</u>	<u>48,744</u>	<u>(33,138)</u>	<u>(14,885)</u>	<u>73,170</u>	<u>(369,103)</u>
Depreciation	25,431	24,076	45,766	45,766	45,766	54,288
Principal Payments	0	0	0	0	0	0
Interest payments	0	0	0	0	0	0
Final average daily enrollment	430	375.0	375.0	375.0	378.0	371.1
March 30th budgeted Enrollment	430	375.0	375.0	375.0	378.0	371.1
Near term indicators	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
CURRENT RATIO	23.94	1.7	8.2	3.09	2.99	2.13
Unrestricted days cash	71.91	41.9	3.26	16.88	22.75	18.75
Enrollment variance	0%	0%	0%	0%	0%	0%
Default	N/A	N/A	N/A	N/A	N/A	N/A
Total Margin	15.2%	0.7	0	0	1.21	-6)
Debt to Asset	N/A	N/A	N/A	N/A	N/A	N/A
Cash Flow	636,075	713,561	(240,355)	(71,129)	46,639	(388,585)
Debt Service Coverage Ratio	N/A	N/A	N/A	N/A	N/A	N/A

**SINGLE AUDIT SECTION K**



GERALD D. LONGO  
CERTIFIED PUBLIC ACCOUNTANT  
62 OLD QUEENS BLVD.  
MANALAPAN, NEW JERSEY 07726-3648

TELEPHONE  
732 446-4768

FAX  
732 792-0868

**EXHIBIT K-1**

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

The Honorable Chairman and  
Members of the Board of Trustees  
Paul Robeson Charter School for the Humanities  
County of Mercer  
Trenton, New Jersey

I 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 and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Paul Robeson Charter School for the Humanities ("the Charter School"), in the County of Mercer, State of New Jersey, as of and for the fiscal year ending June 30, 2021, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued my report thereon, dated March 1, 2022.

**Internal Control Over Financial Reporting**

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

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

My 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 my audit I did not identify any deficiencies in internal control that I 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 the Charter School's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*.

### **Purpose of this Report**

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

Licensed Public School Accountant No. 20CS00206400



Gerald D. Longo  
Certified Public Accountant  
March 1, 2022

**GERALD D. LONGO**  
CERTIFIED PUBLIC ACCOUNTANT  
62 OLD QUEENS BLVD.  
MANALAPAN, NEW JERSEY 07726-3648

TELEPHONE  
732 446-4768

FAX  
732 792-0868

**EXHIBIT K-2**

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
INDEPENDENT AUDITORS' REPORT**

The Honorable Chairman and  
Members of the Board of Trustees  
Paul Robeson Charter School for the Humanities  
County of Mercer  
Trenton, New Jersey

**Compliance**

I have audited the Paul Robeson Charter School for the Humanities, in the County of Mercer, State of New Jersey's ("the Charter School") with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Charter School's major federal and state programs for the fiscal year ended June 30, 2021. The Charter School's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

My responsibility is to express an opinion on compliance for each of the Charter School's major federal and state programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") and New Jersey's OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that I 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 or state program occurred.

An audit includes examining, on a test basis, evidence about the Charter School's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal and state program. However, my audit does not provide a legal determination of the Charter School's compliance.

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

In my opinion, the Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of the 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 my audit of compliance, I considered the Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state 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 and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the 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 or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

Licensed Public School Accountant No. 20CS00206400

A handwritten signature in black ink, appearing to read "Gerald D. Longo". The signature is written in a cursive style with a large initial "G".

Gerald D. Longo  
Certified Public Accountant  
March 1, 2022

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2021

Federal/Grantor Program Title	Federal CFDA Number	Federal Award Identification Number	Grant Period	Award Amount	Balance July 1, 2020	Prior Carry-over	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjust	Deferred Revenue/ (Accounts Receivable) June 30, 2021	Due to Grantor at June 30, 2021
<b>Enterprise Fund:</b>												
U.S. Department of Agriculture												
Pass-Through Programs:												
Passed-Through New Jersey												
State Department of Agriculture												
National School Breakfast	10.553	211NJ304N1099	07/01/20-06/30/21	48,879	0		\$ 42,974	\$ 48,879			(\$5,905)	
National School Lunch	10.555	201NJ304N1099	07/01/19-06/30/20	110,076	(2,161)		2,161	0			\$0	
National School Lunch	10.555	211NJ304N1099	07/01/20-06/30/21	78,257	0		68,850	78,257			(\$9,407)	
Total Enterprise Fund/Total US Dept. of Agriculture Pass Through Programs					(2,161)		\$ 113,985	\$ 127,136			(\$15,312)	
US DEPARTMENT OF TREASURY												
SPECIAL REVENUE FUND												
Corona Relief Fund	21.019	SLT0228	7/1/2020-12/31/2020	55,711	0		\$ 55,711	\$ 55,711			\$0	
Total Department of Treasury					0		\$ 55,711	\$ 55,711			\$0	
<b>Special Revenue Fund:</b>												
U.S. Department of Education												
Pass-Through Programs:												
Passed-Through New Jersey												
State Department of Education												
Title I PART A	84.010	S010A200030	07/01/20-09/30/21	315,779	-		303,116	315,779			(\$12,663)	
Title I Reallocated	84.010A	S010A200030	07/01/20-09/30/21	10,028	-		2,500	2,856			(\$356)	
IDEA Part B	84.027A	H027A200100	07/01/20-09/30/21	79,991	-		59,500	79,991			(\$20,491)	
Total - US Department of Education Passed through NJDOE					0		365,116	398,626			(33,510)	
Education Stabilization Fund												
Cares Act	84.425D	S425D200027	03/13/20-09/30/22	206,258	0		206,258	206,258			0	
Total Education Stabilization Fund					0		206,258	206,258			0	
US Dept. of Education												
Pass-Through Programs												
					0		627,085	660,595			(33,510)	
General Fund - Medical												
Assistance Program	93.778	2005NJ5MAP	07/01/20-06/30/21	14,576			14,576	14,576				
Total Expenditures of Federal Awards					(\$2,161)		\$755,646	\$802,307			(\$48,822)	

See accompanying notes to schedules of expenditures of Federal and State award programs.

PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
Schedule of Expenditures of State Awards  
For the Fiscal Year Ended June 30, 2021

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance July 1, 2020</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Prior Years' Balances</u>	<u>Adjust.</u>	<u>Receivable at June 30, 2021</u>	
<b>NJ DEPARTMENT OF EDUCATION</b>										
<b>GENERAL FUND</b>										
TPAF Social Security	21-495-034-5094-003	07/01/20-06/30/21	\$192,258		\$192,258	\$192,258				
Equalization Aid - Local and State	21-495-034-5120-078	07/01/20-06/30/21	5,473,590		5,473,590	5,473,590				
Adjustment Aid	21-495-034-5120-085	07/01/20-06/30/21	315,558		315,558	315,558				
Special Education Aid	21-495-034-5120-089	07/01/20-06/30/21	208,936		208,936	208,936				
Security Aid	21-495-034-5120-084	07/01/20-06/30/21	248,517		248,517	248,517				
TPAF LT Disability (On-Behalf - Non-Budgeted)	21-495-034-5094-004	07/01/20-06/30/21	850		850	850				
TPAF Medical (On-Behalf - Non-Budgeted)	21-495-034-5094-001	07/01/20-06/30/21	162,350		162,350	162,350				
TPAF Pension (On-Behalf - Non-Budgeted)	21-495-034-5094-002	07/01/20-06/30/21	518,053		518,053	518,053				
Total General Fund/Total State Department of Education					<u>7,120,112</u>	<u>7,120,112</u>				
<b>ENTERPRISE FUND</b>										
State School Lunch	21-100-010-3350-023	07/01/20-06/30/21	4,680	(\$20)	4,033	4,680			(\$667)	
Total Enterprise Fund/Total State Dept. of Agriculture - Direct Programs					<u>4,033</u>	<u>4,680</u>			<u>(667)</u>	
Total State Financial Assistance					<u>7,124,145</u>	<u>7,124,792</u>			<u>(667)</u>	
Less: Amounts not subject to single audit										
TPAF LT Disability (On-Behalf - Non-Budgeted)	21-495-034-5094-004	07/01/20-06/30/21			(850)	(850)				
TPAF Medical (On-Behalf - Non-Budgeted)	21-495-034-5094-001	07/01/20-06/30/21			(162,350)	(162,350)				
TPAF Pension (On-Behalf - Non-Budgeted)	21-495-034-5094-002	07/01/20-06/30/21			(518,053)	(518,053)				
Total Expenditures State Financial Assistance Subject to Single Audit					<u>(\$20)</u>	<u>\$6,442,892</u>	<u>\$6,443,539</u>			<u>(\$667)</u>

See accompanying notes to schedules of expenditures of Federal and State Awards

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL**  
**AND STATE ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1. GENERAL**

The accompanying schedules present the activity of all federal and state assistance programs of the Paul Robeson Charter School for the Humanities. The Board of Trustees is defined in the Notes to the school's basic financial statements. All federal and state assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Charter School's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the provisions of New Jersey Department of the Treasury Circular Letter 15-08 OMB *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis. The special revenue fund is presented in the accompanying schedules on the grant account budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to GAAP basis is \$-0-. See Note 1 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Awards and financial assistance revenues are reported in the school's basic financial statements on a GAAP basis as follows:



**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AND STATE ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ 14,576	\$ 7,120,112	\$ 7,134,688
Special Revenue Fund	660,595	-0-	660,595
Proprietary Fund	<u>127,136</u>	<u>4,680</u>	<u>131,816</u>
Total Awards and Financial Assistance	<u>\$ 802,307</u>	<u>\$ 7,124,792</u>	<u>\$ 7,927,099</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER INFORMATION**

The TPAF Social Security Contributions of \$192,257 represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

The amount reported as TPAF Pension System Contributions in the amount of \$518,053 and TPAF Post- Retirement Medical Benefits Contributions in the amount of \$162,350 and long term disability contributions of \$805 represents the amount paid by the State on behalf of the Charter School for the fiscal year ended June 30 2021.

**NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

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

**NOTE 7. DE MINIMIS INDIRECT COST RATE**

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

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**PART 1 – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statement Section**

Type of auditor’s report issued:	Unmodified		
	<u>YES</u>	<u>NO</u>	
Internal control over financial reporting:			
Material weakness(es) identified:		<b>X</b>	
Significant deficiencies identified not considered to be material weakness(es)?		<b>X</b>	None Reported
Noncompliance material to financial statements noted?		<b>X</b>	

**Federal Awards**

Internal control over compliance:			
Material weakness(es) identified?		<b>X</b>	
Significant deficiencies identified not considered to be material weakness(es)?		<b>X</b>	
Type of auditor’s report on compliance for major programs:		Unmodified	
Any audit findings disclosed that are required to be Reported in accordance with 2CFR 200.156(A)?			None Reported

Identification of major programs:

<u>CDFA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Part A
84.010A	Title I, Reallocated

Dollar threshold used to distinguish between type A and type B programs (.520)

Auditee qualified as low risk auditee:	<b>X</b>
--	----------

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**PART 1 – SUMMARY OF AUDITOR’S RESULTS (Continued)**

<b>State Awards</b>	<b><u>YES</u></b>	<b><u>NO</u></b>	
Dollar threshold used to distinguish between type A and type B programs (.520)	\$750,000		
Auditee qualified as low risk auditee:	<b>X</b>		
Type of auditor’s report issued:	Unmodified		
Internal control over major programs:			
Material weakness(es) identified:		<b>X</b>	
Significant deficiencies identified not considered to be material weakness(es)?		<b>X</b>	None Reported
Type of auditor’s report on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be Reported in accordance with NJOMB Circular Letter 15-08?		<b>X</b>	
Identification of major programs:			
<u><b>CDFA Number(s)</b></u>			<u><b>Name of State Program or Cluster</b></u>
21-495-034-5120-078			Equalization Aid
21-495-034-5120-089			Special Education Aid
21-495-034-5120-084			Security Aid
21-495-034-5120-085			State Adjustment Aid

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**PART II – SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

No financial statement findings noted that are required to be reported under Government Auditing Standards.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**PART III – SCHEDULE OF FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

No federal and state award findings and questioned costs noted that are required to be reported in accordance of U.S. Uniform Guidance or with NJOMB Circular 15-08.

**PAUL ROBESON CHARTER SCHOOL FOR THE HUMANITIES  
SUMMARY OF SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Status of Prior Year Findings**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance (section .315(a)(b)) and New Jersey OMB's Circular 15-08.

In accordance with government auditing standards, my procedures included a review of all prior year recommendations. There were no prior year findings.