

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
OF THE
ROSEVILLE COMMUNITY CHARTER SCHOOL
NEW JERSEY
FOR THE FISCAL PERIOD ENDED JUNE 30, 2021**

ROSEVILLE COMMUNITY CHARTER SCHOOL
JUNE 30, 2021
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Roseville Community Charter School

Marshaé Newkirk, School Director

Karyn Wright-Moore, Board of Trustees President

Collaboration | Honesty | Excellence | Effort | Respect

Preparing every student for academic excellence in high school, college, and beyond.

March 11, 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 Roseville Community Charter School for the fiscal period 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 Roseville Community Charter School constitutes an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and account groups of the entity are included in this report.

Roseville Community Charter School (RCCS) was chartered by The New Jersey Department of Education in July 2011. The school, currently in its 8th year of operation, serves a maximum of 330 students in grades K-4. Roseville Community Charter School rents space at 540 Orange Street in Newark, formerly the St. Rose of Lima School.

- 2) **ENROLLMENT OUTLOOK:** Roseville Community Charter School is currently chartered as a K-4 elementary school with a maximum enrollment of 330 students. The school has plans for an eventual expansion, with the goal of serving students in grades preK-8 by 2025 beginning with an expansion to Grade 5 by 2023.
- 3) **MAJOR ACCOMPLISHMENTS** – Roseville Community Charter School is a K-4 public elementary school located in Newark, New Jersey. The school was founded in collaboration with the Newark Charter School Fund and New Community Corporation to provide an option for an excellent education in the Roseville community of Newark. Roseville Community Charter School’s mission is to prepare every student for academic excellence in high school, college, and beyond. The school’s focus on college preparation is embodied in its intense focus on literacy in the primary grades. Further, the school has established high expectations within a nurturing and supportive environment through the implementation of the Responsive Classroom whole child approach, the use of targeted, small group instruction, the use of *Response to Intervention* strategies, a full on-site Child Study Team led by a certified school psychologist, and social / emotional support to all scholars through its SEL programs.

Roseville Community Charter School reflects an environment that fosters high student achievement. The school was able to establish an environment that promotes learning through a variety of approaches including ongoing professional development embedded within the master schedule and as well through opportunities for off-site training, celebrating student progress, multiple pathways of communication with families, and a focus on building a positive school culture / climate. In addition, the school places great emphasis on reinforcing our core values daily through “morning meeting”, “closing circle”, and student leadership opportunities.

Roseville Community Charter School’s charter was renewed for five (5) years in 2014-2015 and at that point, the school continued to move forward in its mission to prepare every student for academic excellence in high school, college, and beyond. In 2016, 3rd and 4th graders demonstrated significant growth on the PARCC, with ELA and Math gains ranging from 7-29% above 2015 scores. Continuing on the path towards achieving its mission, Roseville Community Charter School was again renewed for five (5) years in 2019-2020 under the leadership of a new Executive Director.

In the school year of 2019-2020 Roseville Community Charter School was ready to transition to full remote teaching / learning when the Coronavirus pandemic hit our country. Most of our curricular programs already had an online instruction component which was being utilized during the school day. This made the transition to full online delivery of instruction and practice relatively smooth. In addition, both teachers and students already had access to these online curricular programs / materials on their laptops. As part of our Technology Plan

for the school year 2019-2020, and prior to the Covid-19 pandemic, we purchased enough Chromebooks for 1:1 capacity throughout the school day. This made it easy for us to ensure equitable access to the technology equipment needed once we had to close the school building and engage in full remote instruction / learning.

In addition to the natural benefit of each scholar having their own Chromebook to use daily and throughout the school day, the unplanned additional impact of this was observed on March 13, 2020 when we announced to RCCS families that we were making the decision to close the school for the safety and well-being of the school community. At dismissal, every scholar in attendance was able to leave with a school-issued Chromebook in addition to a full-day Online Home Instruction schedule, and a 3-week grade level cross-curricular learning packet. The packet was provided with directions in both English / Spanish, to ensure equity of access in terms of instruction while we assessed need and could provide what was needed to families.

In January of the school year 2019-2020 we wrote for and received a significant grant to implement the ***Acellus STEM 10*** pilot program with the focus being to bring RCCS scholars an innovative STEM online curriculum to best prepare them for high-tech careers right out of high school, if desired. What we soon learned was that ***Acellus*** provided us with a platform for the delivery of rigorous, NJ standards-based online instruction across *all* subject areas, including SEL lessons. Our teachers were already trained to use ***Acellus*** in February, prior to March 13th when RCCS made the decision to close our school, and based on this planned closing, teachers received a full day of professional development on March 16th in preparation to be fully remote as of March 17th. The Governor's executive order to close schools came the same day, and we were able to go fully remote with approximately 72% of our scholars online as of March 17th. In addition to being able to assign remote lessons across subject areas, the ***Acellus*** platform provided us with a way to record / track attendance and monitor student usage. Initially our average attendance rate was approximately 75% but as families and scholars became more proficient with the technology / remote learning processes, our average attendance rate rose to a daily average of 85%. Instruction across subject areas was also delivered directly, through Google Classroom, Google Hangouts and Zoom. To address the fact that not all of our teachers / administrators were proficient / highly proficient in the use of technology to deliver remote instruction, online professional development was planned and virtually made available to teachers in the areas such as but not limited to: How to administer STEP guided reading lessons / assessments remotely, Using *Zoom / Google Classroom* platforms to deliver instruction, and an Achievement Network professional development series focused on designing Interim Assessments that can be delivered remotely, best practices for remote learning, and effective remote learning environments. In January of 2021, all Roseville Community Charter School students received an additional laptop for use at home and as a proactive strategy to ensure that even if we needed to quickly transition back to remote instruction due to a Covid-19 diagnosis or exposure, students would have equitable access to their learning even from home.

Academically, RCCS saw a substantial increase in grade 3 ELA proficiency in 2017-2018, jumping from 34.4% in 2016-2017 to 49.2%; however, the more significant measurement is the cohort's progress as it progressed from grade 3 to 4. Third graders from 2016-17 improved from 34.4% to 40.4% as fourth graders in 2017-18, even though the fourth-grade proficiency rate declined from 2016-17 to 2017-18. While this is less impressive than the 14.8 percentage point jump in the grade 3 proficiency (a 43% increase in proficiency), it is more indicative of student progress. In 2018-2019 although proficiency rates show a decline in Math for both third and fourth graders, the proficiency rate for fourth graders increased by more than 8 percentage points. This is the third-grade group who saw the 14.8 percentage point jump the previous school year. We believe that this is due to the focus on our English Language Learners in addition to our continued commitment to seeing year to year increases in the proficiency of its scholars. In addition, in 2019-2020 we hired 2 additional Teachers of Students with Disabilities and began the school year with a full, on site, Child Study Team to ensure that we were identifying students in need of academic intervention and effectively providing what was needed. RCCS saw year to year increases in proficiency for years after the school's first state testing experience and we strongly believe that RCCS will return to seeing year to year increases in proficiency and successfully meet our school's goal of a minimum 5% increase each year in students who meet or exceed proficiency in both ELA and MATH.

In school year 2019-2020 Roseville Community Charter School wrote for and won a \$50,000 grant through the Newark Trust for Education and the Victoria Foundation to start a social emotional learning extension program that we named the RCCS SELF & Wellness Program (Social Emotional Learning Fun & Wellness)! This program was implemented in school year 2020-21 and has done so well that it has already received word that the NTE / VF has decided to provide \$40,000 to RCCS to continue the SELF & Wellness program into the 2021-22 school year! In school year 2021-22, Roseville Community Charter School is establishing sustainability of our SEL programs, including the SELF & Wellness Program through ongoing professional development and staff training in the services provided through these grants.

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.

- 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 period is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as 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 PERIOD-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.

- 8) 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	\$ 572,673	8%
State	5,244,664	80%
Special Revenue Fund	647,682	10%
Misc.	48,097	1%
Proprietary Fund	<u>78,727</u>	<u>1%</u>
Total	<u>\$6,591,843</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	\$6,498,641	90%
Special Revenue Fund	647,682	9%
Proprietary Fund	<u>47,391</u>	<u>1%</u>
Total	<u>\$7,193,714</u>	<u>100%</u>

- 9) **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.
- 10) **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.

11) 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.

The auditor's report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

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

ROSEVILLE COMMUNITY CHARTER SCHOOL

ROSTER OF TRUSTEES

JUNE 30, 2021

<u>BOARD OF TRUSTEES</u>	<u>TERM EXPIRES</u>
Rashon Hasan, President, Voting	6/2021
Maria Andrade, Trustee, Voting	6/2022
Monica Darko, Trustee, Voting	5/2022
Luisa Torres	6/2023
Dr. Charity Dacey, Trustee, Voting	6/2022
Tiesha McKinney	5/2022
Ariagna Perello	5/2022
Ammie Salom	6/2022
Caren Freyer	6/2023

CONSULTANTS AND ADVISORS
June 30, 2021

AUDIT FIRM

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

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OFFICIAL DEPOSITORY

PNC Bank
Newark, NJ

FINANCIAL SECTION

GERALD D. LONGO
CERTIFIED PUBLIC ACCOUNTANT
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MANALAPAN, NEW JERSEY 07726-3648

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732 446-4768

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Independent Auditor's Report

The Honorable Chairman and
Members of the Board of Trustees
Roseville Community Charter School
County of Essex
Newark, 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 Roseville Community Charter School, County of Essex, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Roseville Community Charter School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 Roseville Community Charter School 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 11, 2022 on my consideration of the Roseville Community Charter School's 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 Roseville Community Charter School's internal control over financial reporting and compliance.

Licensed Public School Accountant No. 20CS00206400



Gerald D. Longo
Certified Public Accountant
March 11, 2022

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

ROSEVILLE COMMUNITY CHARTER SCHOOL
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

This section of Roseville Community Charter School annual financial report presents its discussion and analysis of the Charter School's financial performance during the fiscal period 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 period include the following:

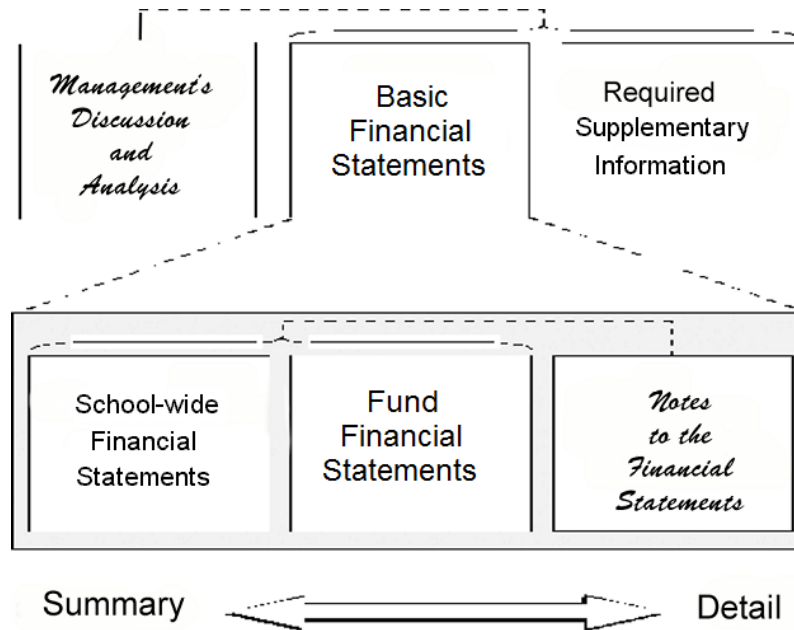
- Total Net Position Governmental was \$3,866,384, after pension adjustment of (\$1,572,108) (Note 15). Total Net Position Enterprise Fund \$44,333.
- The Unassigned General Fund balance at June 30, 2021 is \$849,671, net of a Capital Reserve of \$4,500,000. The Unassigned Enterprise Fund Balance is \$44,333.

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 Roseville Community Charter School.

**ROSEVILLE COMMUNITY CHARTER SCHOOL
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 Roseville Community Charter School's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Roseville Community Charter School, reporting the Roseville Community Charter School's 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 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 Roseville Community Charter School operates like businesses.

**ROSEVILLE COMMUNITY CHARTER SCHOOL
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 Roseville Community Charter School’s financial statements, including the portion of the Roseville Community Charter School’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

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

	<u>School-wide Statements</u>	<u>Fund Financial Statements</u>	
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Scope	Entire school (except fiduciary funds)	The activities of the Roseville Community Charter School 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 Roseville Community Charter School 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

ROSEVILLE COMMUNITY CHARTER SCHOOL
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 Roseville Community Charter School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Roseville Community Charter School's 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 Roseville Community Charter School's net position and how they have changed. Net position – the difference between the Roseville Community Charter School's assets and liabilities – are one way to measure the Roseville Community Charter School's financial health or position.

In the school-wide financial statements, the Roseville Community Charter School's activities are shown in two categories:

- *Governmental activities*- Most of the Roseville Community Charter School's 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 Roseville Community Charter School's Food Service Fund and the after school program are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the Roseville Community Charter School's funds – focusing on its most significant or "major" funds – not the Roseville Community Charter School as a whole.

Funds are accounting devices the Roseville Community Charter School uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law.

ROSEVILLE COMMUNITY CHARTER SCHOOL
Management’s Discussion and Analysis
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The Roseville Community Charter School use 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 property using certain revenues (e.g., federal funds).

The Roseville Community Charter School has two kinds of funds:

- **Governmental funds-** Most of the Roseville Community Charter School’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Roseville Community Charter School’s 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 Roseville Community Charter School 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 ROSEVILLE COMMUNITY CHARTER SCHOOL AS A WHOLE

Net position. The Roseville Community Charter School’s total net position is \$3,910,717 as of June 30, 2021. (See Table A-1).

Governmental Funds	\$3,866,384
Proprietary Funds	44,333
Totals	\$3,910,717

The Statement of Net Position reflects \$88,821 of capital assets at June 30, 2021 net of assumed depreciation from inception.

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)**

The Roseville Community Charter School's financial position is the product of these factors:

- Special Revenue Fund - Revenues and Expenditures were \$647,682.
- General Fund Revenues were \$5,946,029.
- General Fund Expenditures were \$6,579,235.

**Table A-1
ROSEVILLE COMMUNITY CHARTER SCHOOL
Statement of Net Position - School Wide
As of June 30, 2021**

	<u>Total</u>
Current and Other Assets	\$5,492,953
Deferred Pension Outflows	397,446
Capital Assets - Net	88,821
Total Assets and Deferred Pension Outflows	<u>\$5,979,220</u>
Current and Other Liabilities	\$ 98,949
Net Pension Liability - noncurrent	1,169,818
Deferred Pension Inflows	799,736
Total Liabilities and Deferred Pension In Flows	<u>2,068,503</u>
Net Position:	
Invested In Capital Assets, Net	88,821
Restricted for Capital Reserve	4,500,000
Unrestricted (Deficit)	(678,104)
Total Net Position	<u><u>\$3,910,717</u></u>
Total Liabilities Deferred Inflows and Net Position	<u><u>\$5,979,220</u></u>
Fund Balance - June 30, 2021	\$5,394,004
Invested In Capital Assets, Net	88,821
Net Position before Pension Adjustment - June 30, 2021	<u>5,482,825</u>
Less: Pension Adjustment (Note 15)	<u>(1,572,108)</u>
Net Position - June 30, 2021	<u><u>\$3,910,717</u></u>

Total Governmental and Business Activities revenues & beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net position of \$3,910,717 as of June 30, 2021.

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)**

**Table A-2
ROSEVILLE COMMUNITY CHARTER SCHOOL
Changes in Net Position - School Wide
For the Fiscal Year Ended June 30, 2021**

Revenues	<u>Total</u>	<u>%</u>
Program revenues		
Charges for services		
Operating grants and contributions		
General revenues		
Local Share	\$ 572,673	8%
Federal and State Aid-Unrestricted	5,325,259	79%
Federal Aid-Restricted	647,682	9%
Other	48,097	1%
Proprietary Fund	78,727	3%
Total revenues	<u>\$ 6,672,438</u>	<u>100%</u>
Expenses		
Regular Instruction	\$ 3,488,137	48%
General Administrative	2,083,049	28%
School Administrative	899,155	12%
On-behalf TPAF Social Security / Pension / Medical	741,576	7%
Capital Outlay	15,000	1%
Proprietary Fund	47,392	4%
Total expenses	<u>\$ 7,274,309</u>	<u>100%</u>
(Decrease) in Net Position	\$ (601,871)	
Net Position - Beginning July 1, 2020	4,694,390	
Decrease in Capital Assets	(9,266)	
Net Position Before Pension Adjustments	4,083,253	
Pension Adjustments(Note 15)	(172,536)	
Net Position - End of Year June 30, 2021	<u><u>\$ 3,910,717</u></u>	

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)**

**Table A-3 (See Exhibit A-2)
ROSEVILLE COMMUNITY CHARTER SCHOOL
Total Cost and Net Cost of Services - 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>
School Wide Activities			
Instruction			
Regular	B-2	\$ 3,488,137	\$ 3,488,137
Support Services			
General Administrative Services	B-2	2,083,049	2,083,049
School Administrative Services	B-2	899,155	899,155
On-behalf / TPAF Social Security	B-2	741,576	660,980
Enterprise Fund	G-2	47,393	47,392
Capital Outlay	B-2	15,000	15,000
Total School Wide Activities		<u>\$ 7,274,310</u>	<u>\$ 7,193,713</u>

FINANCIAL ANALYSIS OF THE ROSEVILLE COMMUNITY CHARTER SCHOOL FUNDS

The financial performance of the Roseville Community Charter School as a whole is reflected in its governmental activities Exhibit A-2. As the Roseville Community Charter School completed the year, its governmental funds reported an unrestricted unassigned fund balance of \$849,671.

Revenues for the Roseville Community Charter School’s governmental and proprietary funds were \$6,672,438 while total expenses were \$7,274,310. (Table A-4) (Exhibit B-2)

GENERAL FUND

The General Fund includes the primary operations of the Roseville Community Charter School in providing educational services to students from grade K through grade 4.

ROSEVILLE COMMUNITY CHARTER SCHOOL
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

The following schedule presents a summary of Revenues.

Table A-4 (See Exhibit B-2)
ROSEVILLE COMMUNITY CHARTER SCHOOL
Changes in Revenues - School Wide
For the Fiscal Years Ended June 30

Revenues	Year Ended June 30, 2021	Year Ended June 30, 2020	Increase (Decrease)
Local Sources:			
Local Share	\$ 572,673	\$ 556,104	\$ 16,569
Other Local Revenue	48,097	18,089	30,008
Total Local Sources	\$ 620,770	\$ 574,193	\$ 46,577
Intergovernmental			
State Sources	\$ 5,325,259	\$ 4,999,745	\$ 325,514
Federal Sources	647,682	378,978	268,704
Proprietary Fund	78,727	191,411	(112,684)
Total Intergovernmental Sources	\$ 6,051,668	\$ 5,570,134	\$ 481,534
Total Revenue - School Wide	\$ 6,672,438	\$ 6,144,327	\$ 528,111

The following schedule presents a summary of Expenditures.

Table A-5 (See Exhibit B-2)
ROSEVILLE COMMUNITY CHARTER SCHOOL
Changes in Expenditures - School Wide
For the Fiscal Years Ended June 30

Proprietary Expenditures	Year Ended 06/30/2021	Year Ended 06/30/2020	Amount of Increase (Decrease)
Current:			
Regular Instruction	\$ 3,488,137	\$ 3,426,520	\$ 61,617
General Administrative Services	2,083,049	1,953,644	129,405
School Administration	899,155	696,090	203,065
On-behalf TPAF Social Security/ Pension / Medical	741,576	609,266	132,310
Capital outlay	15,000	19,810	(4,810)
Proprietary Fund	47,393	256,263	(208,870)
Total Expenditures School Wide	\$ 7,274,310	\$ 6,961,593	\$ 312,717

**ROSEVILLE COMMUNITY CHARTER SCHOOL
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 Fund unreserved unassigned fund balance.

**Table A-6
ROSEVILLE COMMUNITY CHARTER SCHOOL
Changes in Unreserved General Fund Balance
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>
Unreserved Unassigned						
Fund Balance	849,671	1,482,877	2,313,139	1,997,845	5,525,264	3,912,139
Expenditures	7,274,309	6,705,330	6,661,287	6,030,391	5,061,823	5,585,917
Percentages	11.0%	22.1%	35%	33%	109%	70%

The Roseville Community Charter School values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during school year. The total amount of unrestricted Fund balance designated to support the subsequent years budgets \$849,671 for the 2021-22 school year.

CAPITAL ASSETS

Capital Assets

As of June 30, 2021, in the General Fund, the Roseville Community Charter School had invested \$226,463 in a broad range of improvements, computers, audio-visual equipment and equipment, etc. (More detailed information about capital assets can be found in Note 4 to the financial statements) and total General Fund depreciation expense for the year was \$9,266.

**Table A-7
ROSEVILLE COMMUNITY CHARTER SCHOOL
Schedule of Capital Assets - School Wide
For the Fiscal Year Ended June 30, 2021**

Furniture and Equipment	\$117,504
Improvements	108,959
Total - General Fund	<u><u>\$226,463</u></u>
Less: Accumulated Depreciation	(137,642)
Total - Net Capital Assets General Fund	<u><u>\$88,821</u></u>

ROSEVILLE COMMUNITY CHARTER SCHOOL
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 ROSEVILLE COMMUNITY 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 Roseville Community Charter School's finances and to demonstrate the Roseville Community Charter School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Roseville Community Charter School, 540 Orange Street, Newark, New Jersey 07107.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the Roseville Community Charter School's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2021.

SCHOOL-WIDE FINANCIAL STATEMENTS

ROSEVILLE COMMUNITY CHARTER SCHOOL
Statement of Net Position
As of June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,756,272	\$ 26,132	\$ 4,782,404
Receivables	655,855	18,201	674,056
Security deposit - Rental	36,493		36,493
Capital assets, net	88,821	-	88,821
Total Assets	<u>5,537,441</u>	<u>44,333</u>	<u>5,581,774</u>
Deferred outflows of resources			
Pension deferred outflows	397,446		397,446
Total assets and deferred outflows of resources	<u>\$ 5,934,887</u>	<u>\$ 44,333</u>	<u>\$ 5,979,220</u>
LIABILITIES			
Accounts payable	\$ 64,335	\$ -	\$ 64,335
Payable to school districts	9,542		9,542
Deferred revenue	25,072		25,072
Net pension liability - noncurrent	1,169,818		1,169,818
Total Liabilities	<u>1,268,767</u>	<u>-</u>	<u>1,268,767</u>
Deferred inflows of resources			
Pension deferred inflows	799,736	-	799,736
NET POSITION			
Invested in capital assets, net	88,821	-	88,821
Restricted for:			
Capital reserve	4,500,000		4,500,000
Unrestricted (Deficit) (Note 15)	(722,437)	44,333	(678,104)
Total Net Position	<u>\$ 3,866,384</u>	<u>\$ 44,333</u>	<u>\$ 3,910,717</u>
Total Liabilities, Deferred In Flows and Net Position	<u>\$ 5,934,887</u>	<u>\$ 44,333</u>	<u>\$ 5,979,220</u>
Fund Balance June 30, 2021 - B-1	\$5,349,671		
Cost of capital assets net accumulated depreciation	88,821		
Net position before pension adjustments	5,438,492		
Less pension adjustments net (Note 15)	(1,572,108)		
Total net position - June 30, 2021	<u>\$3,866,384</u>		

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

ROSEVILLE COMMUNITY CHARTER SCHOOL
Statement of Activities
For the Fiscal Year Ended June 30, 2021

Exhibit A-2

<u>Functions/Programs</u>	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	\$ (3,488,137)		\$ (593,304)		\$ (2,894,833)		\$ (2,894,833)
Support services:							
General administration	(2,083,049)		(54,378)		\$ (2,028,671)		\$ (2,028,671)
School administrative services/ operations plant serv.	(899,155)				(899,155)		(899,155)
On - behalf TPAF / Social Security	(741,576)				(741,576)		(741,576)
Capital Outlay	(15,000)				(15,000)		(15,000)
Total governmental activities	(7,226,917)		(647,682)		(6,579,235)		(6,579,235)
Business-type activities:							
Food Service and After School Program	(47,392)	(47,392)				(47,392)	(47,392)
Total business-type activities	(47,392)	(47,392)				(47,392)	(47,392)
Total primary government	(7,274,309)	\$ (47,392)	\$ (647,682)		\$ (6,579,235)	\$ (47,392)	\$ (6,626,627)
General revenues:							
Local Share					572,673		572,673
State Share					3,321,498	2,700	3,324,198
State and Federal Aid					2,003,761	76,027	2,079,788
Miscellaneous Income					48,097		48,097
Increase in net Capital Outlay					(9,266)		(9,266)
Total general revenues, special items,					5,936,763	78,727	6,015,490
Change in Net Position (Decrease)					(642,472)	31,335	(611,137)
Increase (Decrease) in Pension - Note 15					(172,536)		(172,536)
Net Position - July 1, 2020					4,681,392	12,998	4,694,390
Net Position - June 30, 2021					\$ 3,866,384	\$ 44,333	\$ 3,910,717

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

ROSEVILLE COMMUNITY CHARTER SCHOOL
Balance Sheet
Governmental Funds
As of June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 4,746,920	\$ 9,352	\$ 4,756,272
Receivables	640,135	15,720	655,855
Security deposit - Rental	36,493	-	36,493
Total assets	<u>\$ 5,423,548</u>	<u>\$ 25,072</u>	<u>\$ 5,448,620</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 64,335	\$ -	\$ 64,335
Deferred Revenue		25,072	25,072
Due to School Districts	9,542	-	9,542
Total liabilities	<u>73,877</u>	<u>25,072</u>	<u>98,949</u>
Fund Balances:			
Reserved - Capital Reserve	4,500,000		4,500,000
Unassigned	849,671	-	849,671
Total Fund balances	<u>5,349,671</u>	<u>-</u>	<u>5,349,671</u>
Total liabilities and fund balances	<u>\$ 5,423,548</u>	<u>\$ 25,072</u>	<u>\$ 5,448,620</u>

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

Total Fund Balances - June 30, 2021	\$ 5,349,671
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	226,463 <u>(137,642)</u>
	88,821

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 2)

Net position before pension adjustments - June 30, 2021	<u>\$ 5,438,492</u>
Deferred pension liability	(1,169,818)
Pension Deferred - Inflows (Note 15)	(799,736)
Pension Deferred - Outflows (Note 15)	397,446
Net Position of government activities - June 30, 2021	<u>\$ 3,866,384</u>

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

ROSEVILLE COMMUNITY CHARTER SCHOOL
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local sources:			
Local Share	\$ 572,673		\$ 572,673
State Share	3,321,498		3,321,498
Miscellaneous	48,097	-	48,097
Total - Local Sources	<u>3,942,268</u>		<u>3,942,268</u>
State Sources	2,003,761	-	2,003,761
Federal Sources		647,682	647,682
Total Revenues	<u>5,946,029</u>	<u>647,682</u>	<u>6,593,711</u>
EXPENDITURES			
Current:			
Regular instruction	\$ 2,894,833	\$ 593,304	\$ 3,488,137
Support services- General Administrative	2,028,671	54,378	2,083,049
Support Services- School Admin/ operations plant serv	899,155		899,155
On-behalf TPAF Social Security, Pen and Med	741,576		741,576
Capital outlay	15,000		15,000
Total expenditures	<u>6,579,235</u>	<u>647,682</u>	<u>7,226,917</u>
Excess (Deficiency) of revenues over expenditures	<u>(633,206)</u>		<u>(633,206)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-		-
Transfers out	-		-
Total other financing sources and uses	<u>-</u>		<u>-</u>
Net change in fund balances (Decrease)	(633,206)		(633,206)
Fund balance - July 1, 2020	5,982,877		5,982,877
Fund balance - June 30, 2021	<u>\$ 5,349,671</u>		<u>\$ 5,349,671</u>

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

**ROSEVILLE COMMUNITY CHARTER SCHOOL
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2021**

General Fund

Total net change in fund balances (Decrease) - governmental funds (from B-2) \$ (633,206)

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	\$ (9,266)
Capital outlays	<u> -</u>

\$ (9,266)

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.

0

Change in net position of governmental activities (Decrease) (A-2) \$ (642,472)

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

PROPRIETARY FUNDS

Exhibit B-4

ROSEVILLE COMMUNITY CHARTER SCHOOL
 Statement of Net Position
 Proprietary Funds
 As of June 30, 2021

	Proprietary Funds Business-type Activities Enterprise funds
	<u>Enterprise funds</u>
ASSETS	
Current assets:	
Cash and Cash Equivalents	\$ 26,132
Accounts receivable	17,790
Other receivables	411
Total current assets	<u>44,333</u>
 Total assets	 <u><u>\$ 44,333</u></u>
LIABILITIES	
Current liabilities:	
 Total current liabilities	 <u>-</u>
Total liabilities	<u>-</u>
NET POSITION	
Unrestricted	<u>44,333</u>
Total net position	<u><u>\$ 44,333</u></u>

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

ROSEVILLE COMMUNITY CHARTER SCHOOL
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	Proprietary Funds Business-type Activities Enterprise
Operating revenues:	
Charges for services:	
Daily sales - Reimbursable programs and Special Lunch Program	\$ -
Total operating revenues	-
Operating expenses:	
Supplies, Materials and Other Expenses	(47,392)
Total Operating Expenses	(47,392)
Operating income (loss)	(47,392)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	2,700
Federal sources:	
National School Breakfast Program	29,321
National School Lunch Program	46,706
Total nonoperating revenues (expenses)	78,727
Income (loss) before contributions & transfers	31,335
Transfers in (out)	
Change in net position	31,335
Total net position - July 1, 2020	12,998
Total net position - June 30, 2021	\$ 44,333

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

ROSEVILLE COMMUNITY CHARTER SCHOOL
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	Proprietary Funds
	Business-type
	Activities
	<u>Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers	\$ (47,392)
Net cash (used for) operating activities	<u>(47,392)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State and Federal Sources	<u>69,037</u>
Net cash (used for) non-capital financing activities	<u>69,037</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net cash (used for) investing activities	<u> </u>
Net increase (decrease) in cash and cash equivalents	<u>21,645</u>
Cash and Cash Equivalents - beginning of year	<u>4,487</u>
Cash and Cash Equivalents - end of year	<u><u>\$ 26,132</u></u>
Reconciliation of operating income (loss) to net cash provided	
(used) by operating activities:	
Operating income (loss)	<u>\$ 31,335</u>
Adjustments to reconcile operating income (loss) to net cash provided by	
(used for) operating activities	
(Increase) decrease in accounts receivable, net	(9,690)
Increase in Accounts Payable	
Total adjustments	<u>(9,690)</u>
Net cash provided by operating activities	<u><u>\$ 21,645</u></u>

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

FIDUCIARY FUNDS

Exhibit B-7

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Statement of Fiduciary Net Position
Fiduciary Funds
As of June 30, 2021**

NOT APPLICABLE

Exhibit B-8

**ROSEVILLE COMMUNITY CHARTER SCHOOL
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

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

1. DESCRIPTION OF THE CHARTER SCHOOL AND REPORTING ENTITY

Roseville Community Charter School ("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.

ROSEVILLE COMMUNITY CHARTER SCHOOL
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:

ROSEVILLE COMMUNITY CHARTER SCHOOL
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.

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.

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

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

ROSEVILLE COMMUNITY CHARTER SCHOOL
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.

ROSEVILLE COMMUNITY CHARTER SCHOOL
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.

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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

ROSEVILLE COMMUNITY CHARTER SCHOOL
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.

ROSEVILLE COMMUNITY CHARTER SCHOOL
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

ROSEVILLE COMMUNITY CHARTER SCHOOL
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.

ROSEVILLE COMMUNITY CHARTER SCHOOL
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.

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. 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.

Q. 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.

R. 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.

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.

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

S. 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.

T. 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

ROSEVILLE COMMUNITY CHARTER SCHOOL
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 did not maintain a student activity or unemployment trust account during the year ended June 30, 2021.

U. 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 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 balance of was insured by the FDIC for \$250,000 and the remaining balance was subject to the provisions of GUDPA.

Investments

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

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

3. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

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 CAPITAL ASSETS

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

	Beginning Balance June 30, 2020	Net Additions (Deletions)	Ending Balance June 30, 2021
Governmental Activities			
Capital assets:			
Furniture, Equipment and Improvements	\$226,463		\$226,463
Total capital assets	\$226,463	\$0	\$226,463
Less accumulated depreciation for:			
Furniture, Equipment and Improvements	128,376	9,266	137,642
Total accumulated depreciation	\$128,376	\$9,266	\$137,642
Total capital assets - net	\$98,087	(\$9,266)	\$88,821

Depreciation expense of \$9,266 was charged to an unallocated function.

5. LONG-TERM LEASES

The school leases its premises under the terms of a non-cancelable lease which was renewed on January, 2020 for an additional three years ending on July 2023. Rent expense for the year ended June 30, 2021 amounted to \$437,200.

Future minimum rental payments due under the lease for the periods for the period ended are as follows:

	Year Ended June 30:
2022	\$445,946
2023	\$458,963
2024	\$38,340
Total:	\$943,249

A security rental deposit of \$36,493 is reflected on the statement of net position as June 30, 2021.

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

6 **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.

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.

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

6 **PENSION PLANS (continued)**

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. Retirement benefits for age and service are available at age 55 and are generally determined 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 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.

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

6 PENSION PLANS (continued)

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 \$78,475.

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 \$150,502. Also the State paid \$510,929 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.

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

7 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 \$10,972,594 as measured on June 30, 2020 and \$9,006,809 as measured on June 30, 2019.

For the year ended June 30, 2021, the Charter School recognized pension expense of \$682,323 and revenue of \$682,323 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 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.

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

7 PENSION PLANS – GASB 68 DISCLOSURES (continued)

	<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	\$10,972,594	\$9,006,809
State’s portion of the net pension liability that was associated with the Charter School as a percentage of the collective net pension liability	.01666%	.014641%

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 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

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

7 PENSION PLANS – GASB 68 DISCLOSURES (continued)

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 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.

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

7 PENSION PLANS – GASB 68 DISCLOSURES (continued)

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.

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 \$1,169,818 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 .007174%.

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

7 PENSION PLANS – GASB 68 DISCLOSURES (continued)

For the year ended June 30, 2021, the Charter School recognized pension expense of \$153,108. At June 30, 2021, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,300	\$ 4,137
Changes of assumptions	37,950	489,814
Net difference between projected and actual earnings on pension plan investments	39,985	-0-
Changes in proportion and differences between Charter School contributions and proportionate share of contributions	219,736	285,785
Charter School contributions subsequent to the measurement date.	78,475	
Total	\$397,446	\$799,736

The Charter School reported \$78,475 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:

	Year Ended June 30:
2021	(\$146,791)
2022	(133,829)
2023	(76,480)
2024	(30,927)
2025	(6,689)
Total:	(\$394,716)

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

7 PENSION PLANS – GASB 68 DISCLOSURES (continued)

	<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	\$1,169,818	\$1,279,589
Charter School's proportion percentage	.007175%	.007101%

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 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

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

7 PENSION PLANS – GASB 68 DISCLOSURES (continued)

a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	2020		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School’s proportionate share of the net pension liability	\$1,364,768	\$1,169,818	\$1,002,701

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.

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:

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

7 PENSION PLANS – GASB 68 DISCLOSURES (continued)

<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.

8 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.

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.

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

8 POST RETIREMENT MEDICAL BENEFITS (continued)

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.

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>

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

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

8 POST RETIREMENT MEDICAL BENEFITS (continued)

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 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

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

8 POST RETIREMENT MEDICAL BENEFITS (continued)

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 2020 were \$140,099 and \$138,020, 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.

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 \$517,484. 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 \$3,867,534. 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

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

8 POST RETIREMENT MEDICAL BENEFITS (continued)

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 was unchanged from its proportionate share measured as of June 30, 2019 of .01% 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:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "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.

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

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

8 POST RETIREMENT MEDICAL BENEFITS (continued)

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:

	<u>Total OPEB Liability (State Share 100%)</u>
Balance, June 30, 2019 Measurement Date	\$2,310,693
Changes Recognized for the Fiscal Year:	
Service Cost	337,961
Interest on the Total OPEB Liability	91,570
Differences Between Expected and Actual Experience	486,134
Changes of Assumptions	706,466
Gross Benefit Payments	(67,331)
Contributions from the Member	2,041
Net Changes	<u>1,556,841</u>
Balance, June 30, 2020 Measurement Date	<u>\$3,867,534</u>

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

8 POST RETIREMENT MEDICAL BENEFITS (continued)

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:

	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the charter school	\$4,662,512	\$3,867,534	\$3,245,938

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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$3,122,004	\$3,867,534	\$4,755,295

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.

9 DEFERRED COMPENSATION

The Charter School offers its employees a deferred compensation plan created in accordance with the IRS code 403(b). The plan permits participants to defer a portion of their salaries until future years.

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

10 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.

11 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.

12. OPERATING LEASES

The school leases various office and instructional equipment under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2021 were \$56,605. The future minimum lease payments for these operating leases are summarized below.

Fiscal Year Ending	Governmental Activities
2022	\$56,605
2023	\$638

13 RISK MANAGEMENT

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

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

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

13 RISK MANAGEMENT (continued)

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.

14 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 receivables are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Proprietary</u>	<u>Total</u>
Receivables	<u>\$640,135</u>	<u>\$15,720</u>	<u>\$18,201</u>	<u>\$674,056</u>

15 SUBSEQUENT EVENTS

The Charter School has evaluated subsequent events occurring after the financial statement date through March 11, 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:

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.

16 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:

ROSEVILLE COMMUNITY CHARTER SCHOOL
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

16 **RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)**

Fund balance per B-1 - Governmental	\$5,349,671
Cost of capital assets net of accumulated depreciation	88,821
Pension deferred outflows	397,446
Pension deferred inflows	(799,736)
Deferred pension liability as of June 30, 2021	(1,169,818)
Net position (per A-1) as of June 30, 2021 - Governmental	\$3,866,384

17 **CAPITAL RESERVE**

The Board of Trustees approved on October 24, 2017, the establishment of a Capital Reserve in the amount of \$4,500,000 exclusively to the future purchase of a new building for the school.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

ROSEVILLE COMMUNITY CHARTER SCHOOL
Budgetary Comparison Schedule
General 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>
REVENUES:					
Local Sources:					
Local Share	\$ -	\$ -	\$ -	\$ 572,673	\$ (572,673)
State Share	4,813,509	(545,652)	4,267,857	3,321,498	946,359
Miscellaneous	-	-	0	48,097	(48,097)
Total - Local Sources	<u>4,813,509</u>	<u>398,052</u>	<u>4,267,857</u>	<u>3,942,268</u>	<u>325,589</u>
Security Aid	176,674	(14,216)	162,458	162,458	-
Special Education	152,343	(8,707)	143,636	143,636	-
Adjustment Aid	1,331,220	(375,129)	956,091	956,091	-
TPAF Pension (On-Behalf - Non-Budgeted)				449,922	(449,922)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-		-	140,999	(140,999)
TPAF . LTD (On-Behalf - Non-Budgeted)				603	(603)
TPAF Social Security (Reimbursed - Non-Budgeted)				150,052	(150,052)
Total State Sources	<u>1,660,237</u>	<u>(398,052)</u>	<u>1,262,185</u>	<u>2,003,761</u>	<u>(741,576)</u>
Total Revenues	<u>6,473,746</u>	<u>-</u>	<u>5,530,042</u>	<u>5,946,029</u>	<u>(415,987)</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Teachers Salary	1,857,961	(190,630)	1,667,331	1,640,810	\$ 26,521
Other Salaries	656,751	84,460	741,211	739,573	1,638
Prof/Tech Services	241,164	143,760	384,924	371,013	13,911
Other Purchased Services (400-500 series)	38,000	(20,064)	17,936	14,953	2,983
General Supplies	344,850	(185,130)	159,720	92,824	66,896
Textbooks	-	-	-	-	-
Other Objects	12,500	25,685	38,185	35,660	2,525
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>3,151,226</u>	<u>(141,919)</u>	<u>3,009,307</u>	<u>2,894,833</u>	<u>114,474</u>

ROSEVILLE COMMUNITY CHARTER SCHOOL
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administrative					
Salaries of Administrative Salaries	814,734	(75,000)	739,734	655,681	84,053
Salaries of Secretarial and Clerical Assistants	352,797	(45,170)	307,627	257,627	50,000
Cost of Benefits	749,149	19,177	768,326	712,548	55,778
Consultants	48,900	-	48,900	25,167	23,733
Other Purchased Services (400-500 series)	257,075	65,589	322,664	274,472	48,192
Communications/Telephone	68,000	26,378	94,378	57,452	36,926
Supplies and Materials	56,194	34,413	90,607	38,598	52,009
Other Objects	11,500	36,121	47,621	7,126	40,495
	<u>2,358,349</u>	<u>61,508</u>	<u>2,419,857</u>	<u>2,028,671</u>	<u>391,186</u>
Support Services - School Admin/Operation Plant Services					
Salaries	145,842	21,370	167,212	155,918	11,294
Purchased Professional and Technical Services	10,000	1,609	11,609	11,609	-
Other Purchased Services	107,000	47,532	154,532	109,291	45,241
Rental of Land and Building- other than Lease Purchase Agreements	429,329	19,393	448,722	437,200	11,522
Insurance	116,000	(9,435)	106,565	59,800	46,765
General Supplies	56,000	14,666	70,666	60,061	10,605
Transportation- Trips	-	-	-	-	-
Energy (Energy and Electricity)	95,000	(29,724)	65,276	65,276	-
Other Objects	5,000	-	5,000	-	5,000
Total Undist. Expend. - Other Oper. & Maint. Of Plant	<u>964,171</u>	<u>65,411</u>	<u>1,029,582</u>	<u>899,155</u>	<u>130,427</u>
Food Service					
Other Purchased Services	-	-	-	-	-
Total Food Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
On-behalf TPAF Pension Contributions (non-budgeted)				449,922	(449,922)
On-behalf TPAF Medical Contributions (non-budgeted)				140,999	(140,999)
On-behalf - LTD Contribution (non-budgeted)				603	(603)
Reimbursed TPAF Social Security Contributions (non-budgeted)				150,052	(150,052)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>741,576</u>	<u>(741,576)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>3,322,520</u>	<u>126,919</u>	<u>3,449,439</u>	<u>3,669,402</u>	<u>(219,963)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>6,473,746</u>	<u>(15,000)</u>	<u>6,458,746</u>	<u>6,564,235</u>	<u>(105,489)</u>

ROSEVILLE COMMUNITY CHARTER SCHOOL
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Instructional Equipment	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-
Building Improvements	-	15,000	15,000	15,000	-
Total Equipment	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
TOTAL EXPENDITURES- GENERAL FUND	6,473,746	-	6,473,746	6,579,235	(105,489)
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(943,704)</u>	<u>(633,206)</u>	<u>(310,498)</u>
Other Financing Sources:					
Operating Transfer In:	850,000	-	850,000	-	850,000
Total Other Financing Sources:	<u>850,000</u>	<u>-</u>	<u>850,000</u>	<u>-</u>	<u>850,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	850,000	-	-	(633,206)	539,502
Fund Balance, July 1, 2020	-	-	5,982,877	5,982,877	
Fund Balance, June 30, 2021	<u>\$ 850,000</u>	<u>\$ -</u>	<u>\$ 5,982,877</u>	<u>\$ 5,349,671</u>	<u>\$ 539,502</u>

ROSEVILLE COMMUNITY CHARTER SCHOOL
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>
REVENUES:					
Local Sources	-		-	-	
State Sources	-		-	-	
Federal Sources	-		-	-	
Total Revenues	<u>\$ 647,682</u>		<u>\$ 647,682</u>	<u>\$ 647,682</u>	
EXPENDITURES:					
Instruction					
Salaries of Teachers	220,000		220,000	220,000	
Other Salaries for Instruction	-		-	-	
Purchased Professional and Technical Services	169,484		169,484	169,484	
Other Purchased Services (400-500 series)	143,820		143,820	143,820	
Textbooks					
General Supplies	-		-	-	
Personal Services- Employee Benefits	60,000		60,000	60,000	
Instructional Equipment					
Equipment- Non instructional					
Miscellaneous Expense					
Total Instruction	<u>593,304</u>	<u>-</u>	<u>593,304</u>	<u>593,304</u>	
Support Services					
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	54,378		54,378	54,378	
Communication					
Scholarships					
Tuition					
Travel					
Other purchased Services (400-500 series)	-		-	-	
Building Improvements					
Total Support Services	<u>54,378</u>		<u>54,378</u>	<u>54,378</u>	

ROSEVILLE COMMUNITY CHARTER SCHOOL
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					
Total Facilities Acquisition and Construction Services					
Transfer to Charter School					
Total Expenditures	647,682		647,682	647,682	
Other Financing Sources (Uses)					
Transfer in from General Fund					
Transfer Out to Whole School Reform (General Fund)					
Total Other Financing Sources (Uses)					
Total Outflows					
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION**

**ROSEVILLE COMMUNITY CHARTER SCHOOL
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.

**ROSEVILLE COMMUNITY CHARTER SCHOOL
 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)	0.007174%	0.007101%	0.204810%	0.006827%	0.006440%	0.005267%	0.002856%
Charter School Proportionate share of the net pension liability (asset)	1,169,818	1,279,589	1,790,228	1,589,306	1,908,375	1,182,282	534,711
Charter School Covered employee payroll	\$541,100	\$362,152	\$542,012	\$469,840	\$326,245	\$259,676	\$153,979
Charter School Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	216.2%	353.3%	330.2%	338.2%	585.0%	455.3%	347.2%
Plan fiduciary net position as a percentage of the total pension liability	46.25%	28.3%	30.2%	34.1%	24.6%	27.6%	28.8%

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

**ROSEVILLE COMMUNITY CHARTER SCHOOL
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>
Contractually required contribution	\$78,475	\$69,077	\$91,771	\$66,818	\$57,243	\$45,280	\$23,544
Contributions in relation to the contractually required contribution	(78,475)	(69,077)	(91,771)	(66,818)	(57,243)	(45,280)	(23,544)
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Charter School Covered employee payroll	541,100	362,152	542,012	469,840	326,245	259,676	153,979
Contributions as a percentage of covered employee payroll	14.5%	19.07%	16.93%	14.22%	17.55%	17.43%	15.29%

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

**ROSEVILLE COMMUNITY CHARTER SCHOOL
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	<u>10,972,594</u>	<u>9,006,809</u>	<u>13,029,302</u>	<u>11,448,257</u>	<u>11,281,746</u>	<u>8,770,256</u>	<u>3,720,360</u>
Total	<u>10,972,594</u>	<u>9,006,809</u>	<u>13,029,302</u>	<u>11,448,257</u>	<u>11,281,746</u>	<u>8,770,256</u>	<u>3,720,360</u>
Charter School Covered employee payroll	1,305,687	1,588,352	1,534,166	1,375,141	1,731,235	1,405,512	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%	25.41%	22.33%	28.71%	33.04%

**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.

**ROSEVILLE COMMUNITY CHARTER SCHOOL
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.

**ROSEVILLE COMMUNITY CHARTER SCHOOL
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>
<u>The State of New Jersey's Total OPEB Liability</u>				
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)
Net change in total OPEB liability	\$26,080,881,563	(\$4,381,751,937)	(\$7,529,008,876)	(\$4,191,942,326)
Total OPEB Liability - Beginning	\$41,729,081,045	\$46,110,832,982	\$53,639,841,858	\$57,831,784,184
Total OPEB Liability - Ending	\$67,809,962,608	\$41,729,081,045	\$46,110,832,982	\$53,639,841,858
The State of New Jersey's total OPEB liability**	\$67,809,962,608	\$41,729,081,045	\$46,110,832,982	\$53,639,841,858
The State of New Jersey's OPEB liability attributable to the Charter School	\$3,867,534	\$2,310,693	\$1,916,964	\$2,500,558
The Charter School's proportionate share of the total OPEB liability	0	0	0	0
Charter School's covered employee payroll	\$1,846,787	\$1,950,504	\$2,076,178	\$1,844,981
Total Charter School's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%
Charter School's contribution	None	None	None	None
State's covered employee payroll	\$14,267,738,657	\$13,929,083,479	\$13,640,275,833	\$13,493,400,208
Total State's OPEB liability as a percentage of its covered-employee payroll	475.00%	300.00%	338.05%	397.53%

**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.

ROSEVILLE COMMUNITY CHARTER SCHOOL
Special Revenue Fund
Combining Schedule of Revenues and Expenditures- Budgetary Basis
For the Fiscal Year Ended June 30, 2021

	TOTAL	Title I Part A	Title I Reallocated	Title III	Cares Act Ed. Stab Fund	Caronavirus Relief Fund	IDEA Part B Basic	IDEA Part B Preschool
REVENUES								
Intergovernmental								
State								
Federal	\$647,682	\$311,641	\$8,798	\$16,197	\$211,369	\$40,297	\$57,345	\$2,035
Other Sources								
Miscellaneous								
Total Revenues	<u>647,682</u>	<u>311,641</u>	<u>8,798</u>	<u>16,197</u>	<u>211,369</u>	<u>40,297</u>	<u>57,345</u>	<u>2,035</u>
EXPENDITURES								
Instruction								
Salaries	220,000	220,000						
Other Purchased Services								
Purchased Prof. and Tech.and Edu Services	169,484	31,641		10,000	28,166	40,297	57,345	2,035
General Supplies	143,820		8,798	6,197	128,825			
Recruitment								
Personal Services - Employee Benefits	60,000	60,000						
Food Service Subsidy								
Textbooks								
Technology								
Instructional Equipment								
Equipment Non- Instructional								
Miscellaneous Expense								
Total Instruction	<u>593,304</u>	<u>311,641</u>	<u>8,798</u>	<u>16,197</u>	<u>156,991</u>	<u>40,297</u>	<u>57,345</u>	<u>2,035</u>
Support Services								
Salaries of Supervisors of Instruction								
Salaries of Program Directors								
Salaries of Other Prof. Staff								
Salaries of Secretarial and Clerical Ass't Totals								
Personal Services - Employee Benefits								
Supplies and Materials	54,378				54,378			
Communication								
Purchased Professional/Educational Services								
Class- room Improvements								
Building Improvements								
Non instructional Equipment								
Total Support Services	<u>54,378</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>54,378</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$647,882</u>	<u>\$311,641</u>	<u>\$8,798</u>	<u>\$16,197</u>	<u>\$211,369</u>	<u>\$40,297</u>	<u>\$57,345</u>	<u>\$2,035</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

ROSEVILLE COMMUNITY CHARTER SCHOOL
 Statement of Net Position
 Proprietary Fund
 As of June 30, 2021

	Proprietary Fund Business-Type Enterprise
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$26,132
Intergovernmental Receivable	
Federal	17,790
State	411
Total Current Assets	<u>44,333</u>
Total Assets	<u><u>\$44,333</u></u>
LIABILITIES	
Total Current Liabilities	<u>0</u>
Net Position	
Unrestricted	<u>44,333</u>
Total Net Position	<u><u>\$44,333</u></u>

ROSEVILLE COMMUNITY CHARTER SCHOOL
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2021

	Proprietary Fund Business-Type Activities Enterprise
OPERATING REVENUES	
Local Sources	
Daily Sales - Reimbursable Programs	
Self Pay Revenue	
Total Operating Revenues	-
OPERATING EXPENSES	
Supplies, Materials & Other	(\$47,392)
Total Operating Expenses	(47,392)
Income (Loss) From Operations	(47,392)
Nonoperating Revenues	
State Sources	
State Sources	2,700
Federal Sources	
National Snack	
School Breakfast Program	29,321
National School Lunch Program	46,706
Total Nonoperating Revenues	78,727
Increase in Net Position	31,335
Total Net Position - July 1, 2020	12,998
Total Net Position - June 30, 2021	\$44,333

ROSEVILLE COMMUNITY CHARTER SCHOOL
Statements of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	Proprietary Fund Business-Type Activities
Cash flows from operating activities	
Cash Payments supplies, material and other	\$ (47,392)
Net Cash (Used) by Operating Activities	<u>(47,392)</u>
 Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	69,037
Net Cash Provided by Noncapital Financing Activities	<u>69,037</u>
 Cash Flows from Investing Activities	
Net Cash Provided by Investing Activities	
Net Increase in Cash and Cash Equivalents	<u>21,645</u>
Cash and Cash Equivalents, Beginning of Year	4,487
Cash and Cash Equivalents, End of Year	<u><u>\$26,132</u></u>
 Reconciliation of Operating Income to Net Cash Used by Operating Activities	
Operating Income (Loss)	<u>\$31,335</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	0
(Increase) Decrease in Accounts Receivable	(9,690)
Change in Assets and Liabilities	(9,690)
Total Adjustment	<u>21,645</u>
 Net Cash Provided by Operating Activities	<u><u>\$21,645</u></u>

**FIDUCIARY FUNDS
(NOT APPLICABLE)**

Exhibit H-1

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Combining Statement of Agency Funds Net Position
Fiduciary Funds
As of June 30, 2021**

NOT APPLICABLE

Exhibit H-2

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Nonexpendable Trust Fund
Combining Statement of Agency Fund Net Position
Fiduciary Funds
As of June 30, 2021**

NOT APPLICABLE

Exhibit H-3

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiduciary Funds
For the Fiscal Year Ended June 30, 2021**

NOT APPLICABLE

Exhibit H-4

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiduciary Funds
For the Fiscal Year Ended June 30, 2021**

NOT APPLICABLE

Exhibit H-5

**ROSEVILLE COMMUNITY CHARTER SCHOOL
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 Roseville Community Charter School 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

**ROSEVILLE COMMUNITY CHARTER SCHOOL
NET POSITION BY COMPONENT
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>
Governmental activities						
Invested in capital assets, net	\$ 88,821	\$ 98,087	\$ 107,353	\$ 18,811	\$ 35,596	\$ 52,381
Restricted- Capital Reserve	4,500,000	4,500,000	4,500,000	4,500,000		
Unrestricted	849,671	1,482,877	2,235,291	975,846	4,689,906	3,299,951
Total governmental activities net position	<u>\$ 5,438,492</u>	<u>\$ 6,080,964</u>	<u>\$ 6,842,644</u>	<u>\$ 5,494,657</u>	<u>\$ 4,725,502</u>	<u>\$ 3,352,332</u>
Business-type activities						
Invested in capital assets, net						
Unrestricted	47,392	12,996	77,848	120,398	78,541	43,976
Total business-type activities net position	<u>\$ 47,392</u>	<u>\$ 12,996</u>	<u>\$ 77,848</u>	<u>\$ 120,398</u>	<u>\$ 78,541</u>	<u>\$ 43,976</u>
School-wide						
Invested in capital assets, net	88,821	98,087	107,353	18,811	35,596	52,381
Restricted - Capital Reserve	4,500,000	4,500,000	4,500,000	4,500,000	-	-
Unrestricted	897,063	1,495,873	2,313,139	1,096,244	4,768,446	3,342,927
Total school net position	<u>\$ 5,485,884</u>	<u>\$ 6,093,960</u>	<u>\$ 6,920,492</u>	<u>\$ 5,615,055</u>	<u>\$ 4,804,042</u>	<u>\$ 3,395,308</u>

Source: School Financial Statements

ROSEVILLE COMMUNITY CHARTER SCHOOL
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30
ACCURAL BASIS OF ACCOUNTING
(UNAUDITED)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses						
Governmental activities						
Instruction						
Regular	3,488,137	3,426,520	2,442,947	2,772,607	2,139,542	2,472,370
Support Services:						
General administration	2,083,049	1,953,644	2,491,089	1,308,565	1,352,283	1,372,034
School Administrative Services	899,155	696,090	786,578	1,107,268	908,342	949,683
On-behalf TPAF Social Security / Pension / Medical	741,576	609,266	554,764	652,667	476,125	394,713
Capital outlay	15,000	19,810	109,845	0	0	0
Unallocated depreciation	(9,266)	(9,266)	108,959	16,785	16,785	16,785
Total governmental activities expenses	<u>7,217,651</u>	<u>6,696,064</u>	<u>6,494,182</u>	<u>5,857,892</u>	<u>4,893,077</u>	<u>5,205,585</u>
Business-type activities:						
Food service	47,392	256,263	276,064	189,284	220,096	197,117
Total business-type activities expense	<u>47,392</u>	<u>256,263</u>	<u>276,064</u>	<u>189,284</u>	<u>220,096</u>	<u>197,117</u>
Total school expenses	<u>7,265,043</u>	<u>6,952,327</u>	<u>6,770,246</u>	<u>6,047,176</u>	<u>5,113,173</u>	<u>5,402,702</u>
Program Revenues						
Governmental activities:						
Operating grants and contributions	647,682	378,978	397,281	386,532	433,740	257,056
Total governmental activities program revenues	<u>647,682</u>	<u>378,978</u>	<u>397,281</u>	<u>386,532</u>	<u>433,740</u>	<u>257,056</u>
Business-type activities:						
Charges for services						
Proprietary Fund	78,727	191,411	233,514	231,141	185,531	223,133
Total business type activities program revenues	<u>78,727</u>	<u>191,411</u>	<u>233,514</u>	<u>231,141</u>	<u>185,531</u>	<u>223,133</u>
Total school program revenues	<u>726,409</u>	<u>570,389</u>	<u>630,795</u>	<u>617,673</u>	<u>619,271</u>	<u>480,189</u>
Net (Expense)/Revenue						
Governmental activities	(\$6,569,969)	(\$6,317,086)	(\$6,096,901)	(\$5,471,360)	(\$4,459,337)	(\$4,948,529)
Business-type activities	31,335	(64,852)	(42,550)	41,857	34,565	26,016
Total school-wide net expense	<u>(\$3,334,720)</u>	<u>(\$3,334,720)</u>	<u>(\$3,334,720)</u>	<u>(\$3,334,720)</u>	<u>(\$3,334,720)</u>	<u>(\$3,334,720)</u>
Governmental activities:						
Local Share	572,673	556,104	651,113	696,725	636,193	740,016
State Share	3,321,498	3,180,924	3,705,401	3,827,130	4,773,917	4,438,378
State and Federal Aid aid	2,003,761	1,818,821	1,851,544	1,830,350	661,148	709,724
Miscellaneous income	48,097	18,089	17,330	72,951	28,395	75,058
Increase in Net Capital Outlay	0	(9,266)	108,959	0	0	0
Total activities	<u>5,946,029</u>	<u>5,564,672</u>	<u>6,334,347</u>	<u>6,427,156</u>	<u>6,099,653</u>	<u>5,963,176</u>
Business-type activities:						
Transfers	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>5,946,029</u>	<u>5,564,672</u>	<u>6,334,347</u>	<u>6,427,156</u>	<u>6,099,653</u>	<u>5,963,176</u>
Change in Net Position						
Governmental activities	(\$623,940)	(\$752,414)	\$237,446	\$955,796	\$1,640,316	\$1,014,647
Business-type activities	\$31,335	(\$64,852)	(\$42,550)	\$41,857	\$34,565	\$26,016
Total school	<u>(\$592,605)</u>	<u>(\$817,266)</u>	<u>\$194,896</u>	<u>\$997,653</u>	<u>\$1,674,881</u>	<u>\$1,040,663</u>

Source: School Financial Statements

**ROSEVILLE COMMUNITY CHARTER SCHOOL
 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						
Capital Reserve	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000		
Unreserved	849,671	1,482,877	2,235,291	1,997,845	\$5,525,263	\$3,868,163
Total General Fund	<u>\$5,349,671</u>	<u>\$5,982,877</u>	<u>\$6,735,291</u>	<u>\$6,497,845</u>	<u>\$5,525,263</u>	<u>\$3,868,163</u>
All Other Governmental Funds						
Unreserved, reported						
Total all other governmental funds						

Source: School Financial Statements

**ROSEVILLE COMMUNITY CHARTER SCHOOL
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>
Revenues						
Local tax Levy	\$572,673	\$556,104	\$651,113	\$696,725	\$636,193	\$740,016
State Aid	3,321,498	3,180,924	3,705,401	3,827,130	4,773,917	4,438,378
State sources	2,003,761	1,818,821	1,851,544	1,830,350	661,148	712,652
Food Service	78,727	191,411	233,514	231,141	220,096	-
Miscellaneous revenue	48,097	18,089	17,330	72,951	53,145	79,342
Federal sources	647,682	378,978	397,281	386,532	408,990	472,977
Total revenue	<u>6,672,438</u>	<u>6,144,327</u>	<u>6,856,183</u>	<u>7,044,829</u>	<u>6,753,489</u>	<u>6,443,365</u>
Expenditures						
Instruction						
Regular Instruction	2,894,833	3,047,542	2,053,166	2,402,410	1,721,002	2,215,314
Support Services:	0	0	0	0	0	
General administration	2,028,671	1,953,644	2,483,589	1,292,230	1,337,083	1,372,034
School administrative services/Plant	899,155	696,090	786,578	1,107,268	908,342	949,683
TPAF Social Security / Pension / Medical	741,576	609,266	554,764	652,667	476,125	394,713
Capital Outlay	15,000	19,810	109,845			
Food Service	47,392	256,263	276,064	189,284	185,531	197,117
Special Revenue	647,682	378,978	397,281	386,532	433,740	257,056
Total expenditures	<u>7,274,309</u>	<u>6,961,593</u>	<u>6,661,287</u>	<u>6,030,391</u>	<u>5,061,823</u>	<u>5,385,917</u>
Excess (Deficiency) of revenues over (under) expenditures						
Other Financing sources (uses)						
Transfers in						
Transfers out						
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance Increase (Decrease)	<u>\$ (601,871)</u>	<u>\$ (817,266)</u>	<u>\$ 194,896</u>	<u>\$ 1,014,438</u>	<u>\$ 1,691,666</u>	<u>\$ 1,057,448</u>

Source: School Financial Statements

REVENUE CAPACITY

ROSEVILLE COMMUNITY CHARTER SCHOOL
General Fund - Other Local Revenue By Source
For the Fiscal Years Ended June 30
(UNAUDITED)

	<u>Sale of Capital Assets</u>	<u>Donations</u>	<u>Interest</u>	<u>Prior Year Refunds</u>	<u>Sale and Leaseback of Textbooks</u>	<u>Other Local</u>	<u>Totals</u>
2016						75,058	6,369
2017						28,395	28,595
2018						72,951	72,951
2019						17,330	17,330
2020						18,089	18,089
2021			38,481			9,616	48,097

Source: School Financial Statements

Exhibit J-6

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Assessed Value and Actual Value of Taxable Property
For the Fiscal Year Ended June 30, 2021**

NOT APPLICABLE

Exhibit J-7

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Direct and Overlapping Property Tax Rates
For the Fiscal Year Ended June 30, 2021**

NOT APPLICABLE

Exhibit J-8

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Principal Property Taxpayers
For the Fiscal Year Ended June 30, 2021**

NOT APPLICABLE

DEBT CAPACITY

Exhibit J-9

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Property Tax Levies and Collections
For the Fiscal Year Ended June 30, 2021**

NOT APPLICABLE

Exhibit J-10

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Ratios of Outstanding Debt by Type
For the Fiscal Year Ended June 30, 2021**

NOT APPLICABLE

Exhibit J-11

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Ratios of Net General Bonded Debt Outstanding
For the Fiscal Year Ended June 30, 2021**

NOT APPLICABLE

Exhibit J-12

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Direct and Overlapping Governmental Activities Debt
For the Fiscal Year Ended June 30, 2021**

NOT APPLICABLE

DEMOGRAPHIC AND ECONOMIC INFORMATION

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Legal Debt Margin Information
For the Fiscal Year Ended June 30, 2021**

NOT APPLICABLE

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Demographic and Economic Statistics
For the Fiscal Years Ended June 30, 2021**

NOT APPLICABLE

**OPERATING INFORMATION
(UNAUDITED)**

Exhibit J-15

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Principal Employers
For the Fiscal Year Ended June 30, 2021**

NOT APPLICABLE

Roseville Community Charter School
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	21	22	23	23	27	23
Special education	4	4	4	4	7	7
Other special education						
Vocational						
Other instruction	16	6	6	3	3	3
Nonpublic school programs						
Adult/continuing education programs						
Support Services:						
Student & instruction related services						
General administration	3	3	3	3	3	3
School administrative services	4					
Other administrative services	3	5	5	3	3	3
Central services						
Administrative Information Technology	1					
Plant operations and maintenance	2	3	3	3	2.5	2.5
Pupil transportation						
Other support services				4	4	4
Special Schools						
Food Service	1	1	1	1	1	1
Child Care						
Total	<u>55</u>	<u>44</u>	<u>45</u>	<u>44</u>	<u>51</u>	<u>47</u>

Source: School Personnel Records

**ROSEVILLE COMMUNITY CHARTER SCHOOL
Operating Statistics
For the Fiscal Years Ended June 30
(UNAUDITED)**

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)
						Elementary and Middle School	Senior High School		
2016	348	5,381,633	15,464	N/A	33	10:1	N/A	348.3	328.1
2017	320	5,061,823	15,818	N/A	33	10:1	N/A	320	304.6
2018	326.2	6,072,248	18,570	17.4%	31	10:1	N/A	326.2	307.9
2019	323.8	6,385,223	17,119	7.80%	33	10:1	N/A	323.8	299.5
2020	269.4	6,352,503	23,580	37.00%	32	10:1	N/A	269.4	245.4
2021	280.6	6,498,640	23,160	-1.8%	41	7:1	N/A	280.6	233.5

Sources: School records

ROSEVILLE COMMUNITY CHARTER SCHOOL
School Building Information
For the Fiscal Years Ended June 30
(UNAUDITED)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>School Building</u>						
Main Campus						
Square Feet	26,700	26,700	26,700	26,700	26,700	26,700
Capacity (students)	352	352	352	352	352	352
Enrollment	280.6	269.4	324	326	348	348
Number of Schools at June 30						
Elementary	1	1	1	1	1	1

Source: School Office

Exhibit J-19

**ROSEVILLE COMMUNITY CHARTER SCHOOL
General Fund - Schedule of Required Maintenance
For the Fiscal Year Ended June 30, 2021**

NOT APPLICABLE

**ROSEVILLE COMMUNITY CHARTER SCHOOL
INSURANCE SCHEDULE
JUNE 30, 2021
UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package - NJSIG:		
Property - Blanket Building and Contents	\$ 500,000,000	\$ 1,000
Accounts Receivable	\$ 250,000	\$ 1,000
Automobile Physical Damage	None	None
Electronic Data Processing Equipment	\$ 200,000	\$ 1,000
Comprehensive General Liability - NJSIG:		
Occurrence Limit	\$ 11,000,000	None
Automobile Liability	\$ 11,000,000	None
Employee Benefit Liability	\$ 11,000,000	\$ 1,000
Workers' Compensation - NJSIG:		
Statutory Benefits	Included	
Employer's Liability	\$ 2,000,000	
Supplemental Indemnity Coverage	Included	7 Day Waiting Period
School Leaders Errors & Omissions - NJSIG:		
Limit Each Loss	\$ 11,000,000	\$ 5,000
Crime - NJSIG:		
Blanket Employee Dishonesty	\$ 100,000	\$ 500
Computer Fraud	\$ 100,000	\$ 500
Forgery	\$ 100,000	\$ 500
Theft/Disappearance/Destruction:		
Inside	\$ 50,000	\$ 500
Outside	\$ 50,000	\$ 500
Public Official Bonds - NJSIG:		
Board Secretary	\$ 160,000	\$ 1,000

Source: Charter School Financial Reports.

**CHARTER SCHOOL PERFORMANCE
FRAMEWORK FINANCIAL INDICATORS**

ROSEVILLE COMMUNITY CHARTER SCHOOL
FINANCIAL PERFORMANCE - FINANCIAL RATIOS
FOR THE FISCAL YEARS ENDED JUNE 30
(UNAUDITED)

Charter School Performance Framework Financial Indicators
Near Term Indicators

	2021	2020	2019	2018	2017	2016
Cash and Cash Equivalents	4,782,404	5,026,933	6,561,523	5,859,848	5,111,705	3,717,877
Current Assets	5,492,953	6,029,175	6,992,542	6,693,659	5,785,766	4,008,091
Capital Assets-Net	88,821	128,376	107,353	18,811	35,596	52,381
Total Assets	<u>5,581,774</u>	<u>6,157,551</u>	<u>7,099,895</u>	<u>6,712,470</u>	<u>5,821,362</u>	<u>4,060,472</u>
Current Liabilities	98,949	33,300	179,403	75,416	181,963	95,952
Long Term Liabilities						
Total Liabilities	<u>98,949</u>	<u>33,300</u>	<u>179,403</u>	<u>75,416</u>	<u>181,963</u>	<u>95,952</u>
Net Position	<u>5,482,825</u>	<u>6,124,251</u>	<u>6,920,492</u>	<u>6,637,054</u>	<u>5,639,399</u>	<u>3,964,520</u>
Total Revenue	6,672,438	6,135,061	6,856,183	7,044,829	6,753,489	6,443,365
Total Expenses	<u>(7,274,309)</u>	<u>(6,961,593)</u>	<u>(6,661,287)</u>	<u>(6,030,391)</u>	<u>(5,061,823)</u>	<u>(5,385,917)</u>
Change in Net Position	<u>(601,871)</u>	<u>(826,532)</u>	<u>194,896</u>	<u>1,014,438</u>	<u>1,691,666</u>	<u>1,057,448</u>
Depreciation	9,266	9,266	20,417	16,785	16,785	16,785
Principal Payments	0	0	0	0	0	0
Interest payments	0	0	0	0	0	0
Final average daily enrollment	280.6	269.4	373	326	320	320
March 30th budgeted Enrollment	280.6	269.4	373	326	320	320
Near term indicators	2021	2020	2019	2018	2017	2016
CURRENT RATIO	55.5	181	39	89	31.8	41.77
Unrestricted days cash	242.67	381.45	381.45	354.96	368.6	251.95
Enrollment variance	0%	0%	0%	0%	0%	0%
Default	N/A	N/A	N/A	N/A	N/A	N/A
Total margin	9.0%	-13%	3%	14%	25%	16%
Debt to Asset	N/A	N/A	N/A	N/A	N/A	N/A
Cash Flow	(244,529)	(1,534,590)	701,675	784,143	1,393,828	996,251
Debt Service Coverage ratio	N/A	N/A	N/A	N/A	N/A	N/A

SINGLE AUDIT SECTION K

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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
Roseville Community Charter School
County of Essex
Newark, 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 Roseville Community Charter School ("the Charter School"), in the County of Essex, State of New Jersey, as of and for the year ended 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 11, 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 11, 2022

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EXHIBIT K-2

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE OF NEW JERSEY CIRCULAR LETTER
15-08-OMB**

The Honorable Chairman and
Members of the Board of Trustees
Roseville Community Charter School
County of Essex
Newark, New Jersey

Compliance

I have audited the Roseville Community Charter School, in the County of Essex, State of New Jersey's ("the Charter School") with the types of compliance requirements described in the State of New Jersey Department of Treasury Circular 15-08-OMB Compliance Supplement that could have a direct and material effect on each of the Charter School's major state programs for the fiscal year ended June 30, 2021. The Charter School's major state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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 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 New Jersey Department of Treasury Circular 15-08-OMB *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*.

Those standards, and State of New Jersey Circular 15- 08-OMB, and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey* 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 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 state program. However, my audit does not provide a legal determination of the Charter School's compliance.

Opinion on Each Major 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 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 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 state program and to test and report on internal control over compliance in accordance with the State of New Jersey Circular 15-08-OMB, 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 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 State of New Jersey Circular 15-08-OMB. 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 11, 2022

ROSEVILLE COMMUNITY CHARTER SCHOOL
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
Enterprise Fund:												
U.S. Department of Agriculture												
Pass-Through Programs:												
Passed-Through New Jersey												
State Department of Agriculture												
National School Breakfast	10.553	201NJ304N1099	07/01/19-06/30/20	0	\$ (3,254)		\$ 3,254	\$ -			\$0	
National Lunch	10.555	201NJ304N1099	07/01/19-06/30/20	0	(5,177)		5,177	0			\$0	
National School Breakfast	10.553	211NJ304N1099	07/01/20-06/30/21	29,321	0		25,676	29,321			(3,645)	
National Lunch	10.555	211NJ304N1099	07/01/20-06/30/21	46,706	0		32,561	46,706			(\$14,145)	
Total Enterprise Fund/US Dept. of Agriculture, Pass Through Programs					<u>\$ (8,431)</u>		<u>\$ 66,668</u>	<u>\$ 76,027</u>			<u>(\$17,790)</u>	
US DEPARTMENT OF TREASURY												
SPECIAL REVENUE FUND												
Corona Relief Fund	21.019	SLT0228	03/01/20-12/30/20	40,297	0		40,297	40,297			0	
Total Dept. of Treasury					<u>0</u>		<u>40,297</u>	<u>40,297</u>			<u>0</u>	
Special Revenue Fund:												
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	311,641			311,641	311,641			\$0	
Title I Reallocated	84.010A	S010A200030	07/01/20-09/30/21	8,798			8,798	8,798			\$0	
Title III	84.365A	S365A200030	07/01/20-09/30/21	16,197			16,197	16,197			\$0	
IDEA BASIC PART B	84.027	H027A200100	07/01/20-09/30/21	57,345			57,345	57,345			\$0	
IDEA PRE SCHOOL	84.173	H173A200114	07/01/20-09/30/21	2,035			2,035	2,035			\$0	
Total Special Revenue					<u>0</u>		<u>396,016</u>	<u>396,016</u>			<u>0</u>	
Education Stabilization Fund												
Cares Act	84.425D	S425D200027	3/13/2020-09/30/22	231,411	0		195,648	211,369			(15,721)	
Total Education Stabilization Fund					<u>0</u>		<u>195,648</u>	<u>211,369</u>			<u>(15,721)</u>	
Total Special Revenue					<u>0</u>		<u>631,961</u>	<u>647,682</u>			<u>(15,721)</u>	
Total Expenditures of Federal Awards					<u>(\$8,431)</u>		<u>\$698,629</u>	<u>\$723,709</u>		<u>\$0</u>	<u>(33,511)</u>	<u>0</u>

See accompanying notes to Schedules of Expenditures of Federal and State award programs.

ROSEVILLE COMMUNITY CHARTER SCHOOL
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>Refund of Prior Years' Balances</u>	<u>Adjustments</u>	<u>Deferred Revenue/ (Accounts Receivable) 2021</u>	<u>Due to Grantor at June 30, 2021</u>
STATE DEPT. OF EDUCATION										
GENERAL FUND:										
TPAF Social Security	21-495-034-5094-003	07/01/20-06/30/21	\$150,052		\$150,052	\$150,052				
Equalization School Aid - Local	21-495-034-5120-078	07/01/20-06/30/21	572,673		572,673	572,673				
Equalization School Aid - State	21-495-034-5120-078	07/01/20-06/30/21	3,321,498		3,321,498	3,321,498				
Security Aid	21-495-034-5120-084	07/01/20-06/30/21	162,458		162,458	162,458				
Special Education	21-495-034-5120-089	07/01/20-06/30/21	143,636		143,636	143,636				
Adjustment Aid	21-495-034-5120-085	07/01/20-06/30/21	956,091		956,091	956,091				
On behalf TPAF Post Retirement Medical Cont.	21-495-034-5094-001	07/01/20-06/30/21	140,999		140,999	140,999				
On behalf TPAF Pension	21-495-034-5094-002	07/01/20-06/30/21	449,922		449,922	449,922				
On behalf TPAF LT DIS	21-495-034-5094-004	07/01/20-06/30/21	603		603	603				
Total General Fund/Total State Dept. of Education						5,897,932	5,897,932			
NJ STATE DEPT. OF AGRICULTURE - DIRECT PROGRAMS										
ENTERPRISE FUND:										
State School Lunch	21-100-010-3350-023	07/01/20-06/30/21	2,700	(81)	2,370	2,700			(\$411)	\$ -
Total State Financial Assistance					(81)	\$5,900,302	\$5,900,632		(\$411)	\$ -
LESS:										
On behalf TPAF Post Retirement Medical Cont.	21-495-034-5094-001	07/01/20-06/30/21			(140,999)	(140,999)				
On behalf TPAF Pension	21-495-034-5094-002	07/01/20-06/30/21			(449,922)	(449,922)				
On behalf TPAF LT Disability	21-495-034-5094-004	07/01/20-06/30/21			(603)	(603)				
Total State Financial Assistance subject to Single Audit						\$5,308,778	\$5,309,108			

See accompanying notes to Schedules of Expenditures of Federal and State award programs.

**ROSEVILLE COMMUNITY CHARTER SCHOOL
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 of present the activity of all federal and state assistance programs of the Roseville Community Charter School. The Board of Trustees is defined in the Notes to the school's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal assistance 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:

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

	Federal	State	Total
General Fund	\$ -0-	\$ 5,897,932	\$ 5,897,932
Special Revenue Fund	647,682	-0-	647,682
Enterprise Fund	<u>76,027</u>	<u>2,700</u>	<u>78,727</u>
Total Awards and Financial Assistance	<u>\$ 723,709</u>	<u>\$ 5,900,632</u>	<u>\$ 6,624,341</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 \$150,052 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, 2021.

The amount reported as TPAF Pension System Contributions in the amount of \$449,922 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$140,999 and long term disability contributions of \$603 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 School has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**ROSEVILLE COMMUNITY CHARTER SCHOOL
COUNTY OF ESSEX, NEW JERSEY
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:		X
Significant deficiencies identified not considered to be material weakness(es)?		X None Reported
Noncompliance material to financial statements noted?		X

Federal Awards

N/A

Internal control over compliance:
Material weakness(es) identified?
Significant deficiencies identified not considered to be material weakness(es)?

Type of auditor’s report on compliance for major programs:

Any audit findings disclosed that are required to be Reported in accordance with Uniform Guidance

Identification of major programs:

<u>CDFA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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None	None
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Dollar threshold used to distinguish between type A and type B programs (.520)

Auditee qualified as low risk auditee:

**ROSEVILLE COMMUNITY CHARTER SCHOOL
COUNTY OF ESSEX, NEW JERSEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

PART 1 – SUMMARY OF AUDITOR’S RESULTS (continued)

State Awards	<u>YES</u>	<u>NO</u>
Dollar threshold used to distinguish between type A and type B programs (.520)	\$750,000	
Auditee qualified as low risk auditee:	X	
Type of auditor’s report issued:	Unmodified	
Internal control over major programs:		
Material weakness(es) identified:		X
Significant deficiencies identified not considered to be material weakness(es)?	X	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?		X

Identification of major programs:

<u>State/Grant Program Number(s)</u>	<u>Name of State Program or Cluster</u>
21-495-034-5120-078	Equalization Aid
21-495-034-5120-085	Adjustment Aid
21-495-034-5120-084	Security Aid
21-495-034-5120-089	Special Education Aid

**ROSEVILLE COMMUNITY CHARTER SCHOOL
COUNTY OF ESSEX, NEW JERSEY
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.

**ROSEVILLE COMMUNITY CHARTER SCHOOL
COUNTY OF ESSEX, NEW JERSEY
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.

**ROSEVILLE COMMUNITY CHARTER SCHOOL
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.