

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2022

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

***Riverbank Charter School of Excellence
Board of Trustees
Roebling, New Jersey***

***Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022***

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT
OF THE
RIVERBANK CHARTER SCHOOL OF EXCELLENCE
ROEBLING, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022***

Prepared By

***Riverbank Charter School of Excellence
Finance Department***

And

Barre & Company, CPA's

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INTRODUCTORY SECTION



Riverbank Charter School of Excellence
1300 Hornberger Avenue
Roebling, New Jersey 08554
Tel: (609) 499-4321
Website: <http://riverbank.charter.k12.nj.us/>

February 24, 2023

Honorable President and
Members of the Board of Trustees
Riverbank Charter School of Excellence
Roebling, New Jersey

Dear Board Members:

We are pleased to present to you the Annual Comprehensive Financial Report (ACFR) of the Riverbank Charter School of Excellence (Charter School) for the fiscal year ended June 30, 2022. This ACFR includes the Charter School's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34.

The Charter School has elected to adopt this new financial reporting model which we believe will provide all users of this document with much more useful financial and statistical information than ever before. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Trustees (Board).

To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Charter School. This report will provide the taxpayers of the Riverbank Charter School of Excellence with comprehensive financial data in a format enabling them to gain an understanding of the Charter School's financial affairs.

The Annual Comprehensive Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the Charter School;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the Charter School's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the Charter School, generally presented on a multi-year basis
- The Single Audit Section — The Charter School is required to undergo an annual single audit in conformity with the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the

independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

Charter School Organization

An elected eight-member Board of Trustees (the “Board”) serves as the policy maker for the Charter School. The Board adopts an annual budget and directly approves all expenditures which serve as the basis for control over and authorization for all expenditures of the Charter School funds.

The Lead Person is the chief executive officer of the Charter School, responsible to the Board for total educational and support operations. The Business Administrator is the chief financial officer of the Charter School, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the Charter School, acting as custodian of all Charter School funds, and investing idle funds as permitted by New Jersey law.

1. REPORTING ENTITY AND ITS SERVICES: Riverbank Charter School of Excellence is an independent reporting entity within the criteria adopted by the Government Auditing Standards Board (GASB) as established by GASB Statement No. 14, as amended. All funds of the school are included in this report. Riverbank Charter School of Excellence and Board of Trustees, constitutes the Charter School’s reporting entity.

The focus of education at Riverbank Charter School of Excellence has always been what is best for the success of the children. With this in mind, the school provides a full range of educational services appropriate to meeting the needs of all students in grades Kindergarten through Grade 3 during the 2021-2022 school year. Such instructional services include regular education, special education and basic skills program.

Riverbank Charter School of Excellence ended the 2021-2022 school year with an enrollment of 155 students. The following details the student enrollment of the Charter School over the last year:

REPORTING ENTITY AND ITS SERVICES (CONTINUED):

	<u>Average Daily Enrollment</u>	
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Average Daily Enrollment</u>
2021-2022	154	154.00
2020-2021	153	153.00
2019-2020	151	151.00
2018-2019	155	155.00
2017-2018	142	142.00

2. ECONOMIC CONDITION AND OUTLOOK: In September of 2008, *Riverbank Charter School of Excellence* was “chartered” by the Commissioner of Education for the State of New Jersey to operate an independent public school. *Riverbank Charter School of Excellence* is accountable to its students, parents, community, and the New Jersey Department of Education to fulfill its mission and deliver an exceptional academic program that leads to achievement for all of our students.

Riverbank Charter School of Excellence serves as a positive school culture functioning to sharpen the focus of staff and students, building commitment and sense of community, fostering motivation to achieve valued ends, and encouraging productivity and learning. Our school's mission is to provide students with opportunities to develop their intellectual, emotional and social potential through the implementation of a dynamic curriculum that fosters learning through a cooperative effort involving home, school, and community. By all three working together, students can attain their maximum potential critical thinkers, lifelong learners, and responsible, contributing citizens in a rapidly changing pluralistic society. With this is the belief that children learn best when the significant adults in their lives – parents, teachers and community members – work together to encourage and support their development. As such, we believe that parental involvement in a child's education is paramount.

Since the school's inception, students have continually demonstrated their knowledge by scoring proficient or advanced proficient on all standardized tests.

We are privileged that our parents send their children to *Riverbank Charter School of Excellence*. More than 98% of our parents are pleased with the progress their children are making. Our school families appreciate the effort, time, improvements, and consistency each year. We are highly recommended through word of mouth, and our presence in the township has grown more favorable each year.

Riverbank Charter School of Excellence is fiscally solvent and continues to maintain a surplus while expanding educational programs, extra-curricular activities, providing various professional development training for staff, as well as improvements to the school building. It is our goal to be continuously growing, improving, and achieving higher goals each year. We are confident that *Riverbank Charter School of Excellence* will soon be recognized as a Blue Ribbon School in the State of New Jersey.

3. MAJOR INITIATIVES: The Charter School has developed a comprehensive strategic plan to support its mission and vision and serves as a blueprint for the achievement of its goals. The plan includes objectives, such as pupil achievement as measured by standardized tests and teacher assessment instruments; formal professional development for the certified and non-certified staff; and the implementation of a technology plan in all classrooms.

4. INTERNAL ACCOUNTING CONTROLS: Management of the Charter School is responsible for establishing and maintaining an internal control designed to ensure that the assets of the Charter 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). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- a) the cost of a control should not exceed the benefits likely to be derived; and
- b) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2022.

6. **CASH MANAGEMENT:** The investment policy of the Charter School is guided in large part by state statute as detailed in “Notes to the Basic Financial Statement” Note 3. The Charter School had adopted a cash management plan which requires it to deposit 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 Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

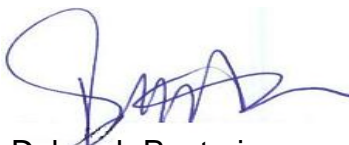
7. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, directors and officers insurance and workmen’s compensation.

8. **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Barre & Company, Certified Public Accountants, was selected by the Board of Trustees. In addition to meeting the requirement set forth in State statutes, the annual audit was designed to meet the requirement of the Uniform Guidance and the New Jersey Circular Letter of 15-08 OMB, Single Audit for Recipients of Federal Grants, State Grants, and State Aid”. The auditor’s report on the basic financial statements and specified required supplemental information is included in the Financial Section of this report. The auditor’s report related specifically to the single audit is included in the Single Audit Section of this report.

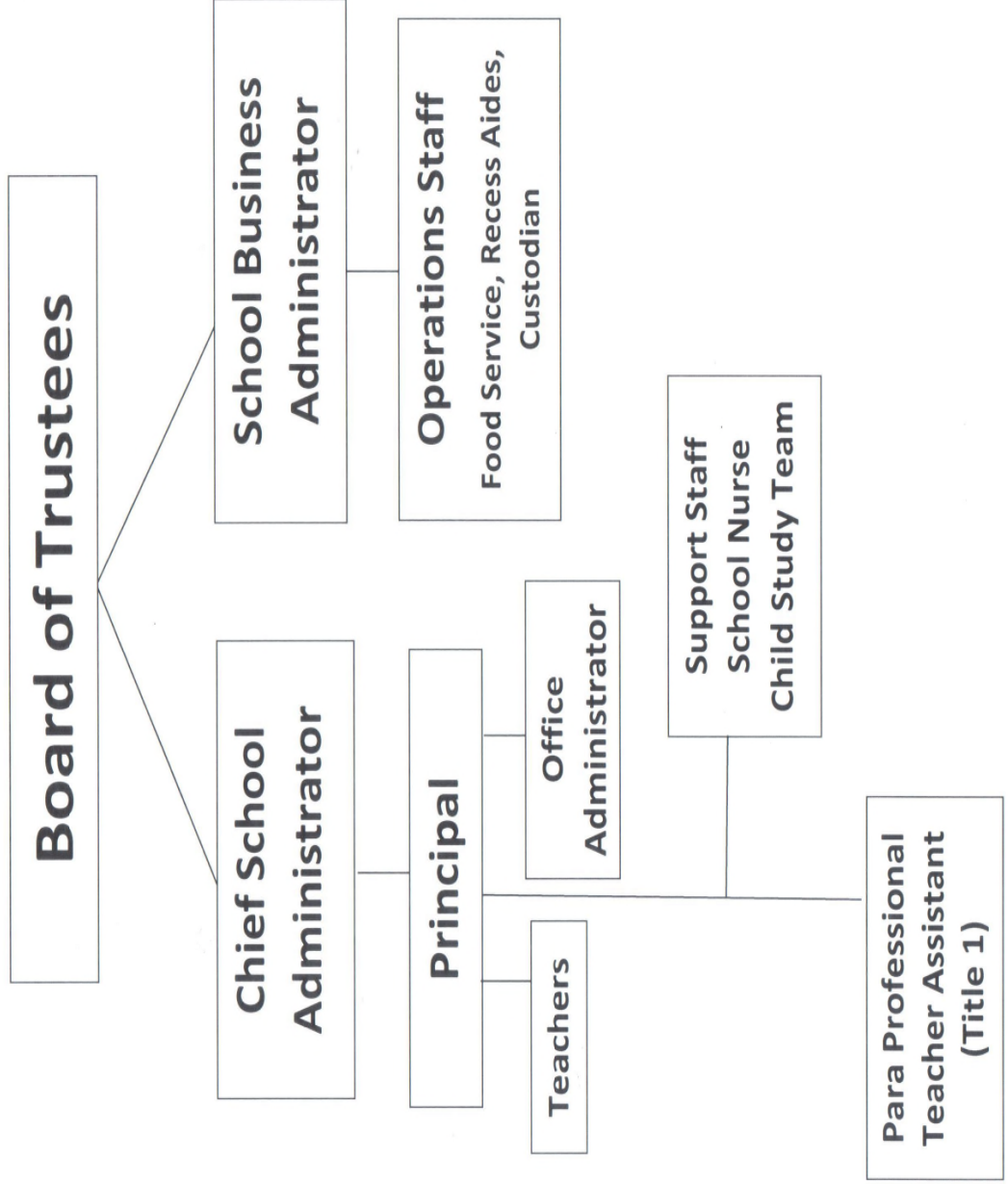
9. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Riverbank Charter School of Excellence Board of Trustees for their concern in providing fiscal accountability to the citizens and taxpayers of the Charter School and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

Respectfully submitted,



Deborah Pontoriero
Business Administrator

**Riverbank Charter School of Excellence
Organizational Chart**



**RIVERBANK CHARTER SCHOOL OF EXCELLENCE
ROEBLING, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2022**

MEMBERS OF THE BOARD OF TRUSTEES

Jonathan Marbach	President
Adam Cortes	Trustee
Peter Duprat	Trustee
Kathleen Magoon	Trustee
Susan McCool	Trustee
Jon Marbach	Trustee
Tonia Davis	Trustee
Thomas Floyd	Trustee

SCHOOL OFFICIALS

Beth Kelley	School Leader
Deborah Pontoriero	SBA
Charles Murray (Ex-Officio)	Teacher Representative

**RIVERBANK CHARTER SCHOOL OF EXCELLENCE
ROEBLING, NEW JERSEY**

CONSULTANTS AND ADVISORS

Audit Firm

Barre & Company LLC
Certified Public Accountants
2204 Morris Avenue, Suite 206
Union, New Jersey 07083

Attorney

Johnston Law Firm
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Official Depository

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FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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Independent Auditor's Report

Honorable President
Members of the Board of Trustees
Riverbank Charter School of Excellence
County of Burlington
Roebing, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Riverbank Charter School of Excellence (Charter School), in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Riverbank Charter School of Excellence, in the County of Burlington, State of New Jersey, as of June 30, 2022, and the respective changes in the financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Controller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Riverbank Charter School of Experience and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Adoption of New Accounting Principle

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2022, the Charter School adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Consistency of Financial Statement

As a result of the adoption of GASB Statement No. 87, leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the School. Our opinion is not modified with respect to this matter.

Prior Period Restatement

In addition, because of the implementation of GASB Statement No. 87, net position and fund balance as of July 1, 2021 on the statement of activities and statement of revenues, expenditures, and changes in fund balances, have been restated. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Charter School's 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt Riverbank Charter School of Excellence's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Riverbank Charter School of Excellence's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions, events, considered in the aggregate, that raise substantial doubt about Riverbank Charter School of Excellence's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, following this report, and pension and post-employment benefit schedules in Exhibits L-1 through L-3, and M-1, and the related notes be presented to supplement the basic financial statements and budgetary comparison information in Exhibits C-1 through C-3. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting statements and schedule and schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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


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

Other Reporting Required by *Government Auditing Standards and the Office of School Finance, Department of Education, State of New Jersey*

In accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey, we have also issued our report dated February 24, 2023 on our consideration of the Riverbank Charter School of Excellence's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards and the Office of School Finance, Department of Education, State of New Jersey* in considering the Charter School's internal control over financial reporting and compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control over financial reporting and compliance.


Barre & Company LLC
Union, New Jersey


Richard M. Barre
Licensed Public School Accountant
No. CS-01181
Barre & Company, CPA's

Union, New Jersey
February 24, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**RIVERBANK CHARTER SCHOOL OF EXCELLENCE
ROEBLING, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED**

The discussion and analysis of Riverbank Charter School of Excellence's financial performance provides an overall review of the Charter School's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the Charter School's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Charter School's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 — *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2021-2022) and the prior year (2020-2021) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2022 are as follows:

- ❖ General revenues accounted for \$2,533,670 or 98% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$60,048 or 2% of total revenues of \$2,593,718.
- ❖ The Charter School had \$2,370,211 in expenses; only \$60,048 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$2,533,670 were adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$3,449,011 in revenues and \$3,255,654 in expenditures. The General Fund's fund balance increased \$193,357. This increase was anticipated by the Board of Trustees.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Riverbank Charter School of Excellence as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole Charter School, presenting both an aggregate view of the Charter School's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Charter School's most significant funds. In the case of Riverbank Charter School of Excellence, the General Fund is by far the most significant fund.

**RIVERBANK CHARTER SCHOOL OF EXCELLENCE
ROEBLING, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Reporting the Charter School as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the Charter School to provide programs and activities, the view of the Charter School as a whole looks at all financial transactions and ask the question, "How did we do financially during 2022?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the *Statement of Net Position* and the *Statement of Activities*, the Charter School is divided into two kinds of activities:

- ❖ Governmental activities — All of the Charter School's programs and services are reported here including instruction, administration, support services, and capital outlay.
- ❖ Business-Type Activity — These service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the Charter School's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the Charter School's funds. The Charter School uses many funds to account for a multitude of financial transactions. The Charter School's governmental funds are the General Fund and Special Revenue Fund.

**RIVERBANK CHARTER SCHOOL OF EXCELLENCE
ROEBLING, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Governmental Funds

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

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Charter School-wide and fund financial statements. The notes to the financial statements can be found starting on page 35 of this report.

The Charter School as a Whole

Recall that the *Statement of Net Position* provides the perspective of the Charter School as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The Charter School's financial position is the product of several financial transactions including the net results of activities.

The Charter School's combined Net Position (Deficit) were \$393,437 on June 30, 2022 and \$232,301 on June 30, 2021.

Governmental Activities

The Charter School's total revenues were \$2,553,944 for the year ended June 30, 2022, this includes \$64,219 of state reimbursed TPAF social security contributions.

The total cost of all program and services were \$2,335,375 for 2022. Instruction comprises 48% of Charter School expenses.

**RIVERBANK CHARTER SCHOOL OF EXCELLENCE
ROEBLING, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Governmental Activities (Continued)

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services.

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Administration includes expenses associated with administrative and financial supervision of the Charter School.

Support services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development and the costs associated with operating the facility.

Capital Outlay represents instructional and/or non-instructional equipment purchased and is capitalized when such equipment is over the \$2,000 threshold.

Business-Type Activities

Revenues for the Charter School's business-type activities (Food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service revenues exceeded expenses by \$4,938 and expenses exceeded revenues \$686 for 2022 and 2021 respectively.
- ❖ Charges for services represent \$21,101 and \$7,295 of revenue for 2022 and 2021 respectively. This represents amounts paid by patrons for daily food.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and breakfast were \$18,673 and \$8,012 for 2022 and 2021 respectively.

The Charter School's Funds

All governmental funds (i.e., general fund and special revenue fund, presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$3,649,910 and expenditures were \$3,456,553 for 2022. The net change in fund balance was most significant in the general fund with an increase of \$193,357 in 2022.

**RIVERBANK CHARTER SCHOOL OF EXCELLENCE
ROEBLING, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

The Charter School's Funds (Continued)

As demonstrated by the various statements and schedules included in the financial section of this report, the Charter School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2022.

Revenues	2022 Amount	Percent of Total	Increase/ (Decrease) From 2021	Percent of Increase/ (Decrease)
Local Sources	\$ 1,210,014	33.14%	\$ 158,626	15.09%
State Sources	1,155,387	31.66%	127,245	12.38%
Federal Sources	188,543	5.17%	123,797	191.20%
Other Finance Source	1,095,966	30.03%	1,095,966	
Total	\$ 3,649,910	100.0%	\$ 1,505,634	

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2022.

Expenditures	2022 Amount	Percent of Total	Increase/ (Decrease) From 2021	Percent of Increase/ (Decrease)
Instruction	\$ 896,852	25.95%	\$ 56,550	6.73%
Administration	1,200,130	34.72%	30,884	2.64%
Support Services	325,976	9.43%	80,934	33.03%
Capital Outlay	1,033,595	29.90%	1,033,595	
Total	\$ 3,456,553	100.0%	\$ 1,201,963	

General Fund Budgeting Highlights

The Charter School's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

- ♣ Over the course of the year, the Charter School revised the annual operating budget in accordance with state regulations. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

**RIVERBANK CHARTER SCHOOL OF EXCELLENCE
ROEBLING, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Capital Assets (Net of Depreciation) and Debt Administration

At the end of the fiscal year 2022, the Charter School had \$0 invested in machinery and equipment. At the end of fiscal years 2021 and 2020 there is no debt outstanding.

For the Future

The Riverbank Charter School of Excellence is in stable financial condition presently. The Charter School is proud of its community support. A major concern is the continued enrollment growth of the Charter School with the increased reliance on federal and state funding.

In conclusion, Riverbank Charter School of Excellence has committed itself to financial stability for many years. In addition, the Charter School's system for financial planning, budgeting, and internal financial controls are well regarded. The Charter School plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the Charter School's Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have questions about this report or need additional information, contact Deborah Pontoriero, Business Administrator, at Riverbank Charter School of Excellence, 1300 Hornberger Avenue, Roebling, New Jersey 08554.

BASIC FINANCIAL STATEMENTS

SECTION A – CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the Charter School. These statements include the financial activities of the overall Charter School, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the Charter School.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Statement of Net Position

June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 358,490	\$ 758	\$ 359,248
Receivables	134,587	544	135,131
Security Deposit	28,940		28,940
Restricted Assets:			
Cash and Cash Equivalents	75,000		75,000
Right of Use Asset, Net of Amortization	930,236		930,236
Total Assets	<u>1,527,253</u>	<u>1,302</u>	<u>1,528,555</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Pensions	<u>182,026</u>		<u>182,026</u>
Total Deferred Outflows of Resources	<u>182,026</u>	<u>-</u>	<u>182,026</u>
LIABILITIES:			
Cash Overdraft			
Internal Balances	4,472	(4,472)	-
Other Current Liabilities	10,786		10,786
Noncurrent Liabilities:			
Due Within One Year	74,825		74,825
Due Beyond One Year	946,629		946,629
Net Pension Liability	<u>168,111</u>		<u>168,111</u>
Total Liabilities	<u>1,204,823</u>	<u>(4,472)</u>	<u>1,200,351</u>
DEFERRED INFLOWS OF RESOURCES:			
Pensions	<u>116,793</u>		<u>116,793</u>
Total Deferred Inflows of Resources	<u>116,793</u>	<u>-</u>	<u>116,793</u>
NET POSITION:			
Restricted for:			
Other Purposes	75,000		75,000
Unrestricted	<u>312,663</u>	<u>5,774</u>	<u>318,437</u>
Total Net Position	<u>\$ 387,663</u>	<u>\$ 5,774</u>	<u>\$ 393,437</u>

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

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
 Statement of Activities
 For The Fiscal Year Ended June 30, 2022

Functions/Programs	Expenses	Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes In Net Position		
			Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:								
Instruction	\$ 894,329	\$ 221,989	\$ -	\$ 20,274	\$ -	\$ (1,096,044)	\$ -	\$ (1,096,044)
Administration	744,199	123,788	-	-	-	(867,987)	-	(867,987)
Support Services	174,623	-	-	-	-	(174,623)	-	(174,623)
Interest on Long Term Debt	73,088	-	-	-	-	(73,088)	-	(73,088)
Unallocated Amortization and Depreciation	103,359	-	-	-	-	(103,359)	-	(103,359)
Total Governmental Activities	1,989,598	345,777	-	20,274	-	(2,315,101)	-	(2,315,101)
BUSINESS-TYPE ACTIVITIES:								
Food Service	34,836		21,101	18,673			4,938	4,938
Total Business-Type Activities	34,836		21,101	18,673			4,938	4,938
Total Primary Government	\$ 2,024,434		\$ 21,101	\$ 38,947	\$ -	\$ (2,315,101)	\$ 4,938	\$ (2,310,163)
GENERAL REVENUES								
General Purposes			\$ -	\$ 1,210,014	\$ -	\$ -	\$ -	\$ 1,210,014
Federal and State Aid Not Restricted				1,311,300				1,311,300
Miscellaneous Income				12,356				12,356
Total General Revenues				2,533,670				2,533,670
Change in Net Position				218,569		4,938		223,507
Net Position - Beginning of Year				231,465		836		232,301
Prior Period Adjustments				(62,371)				(62,371)
Net Position, July 1 (Restated)				169,094		836		169,930
Net Position - Ending				387,663		5,774		393,437

SECTION B – FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

GOVERNMENTAL FUNDS

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Special Revenue Fund	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	310,289		\$ 310,289
Restricted	75,000		75,000
Interfund Receivables	48,201		48,201
Receivables From Other Governments	134,587	48,201	182,788
Prepaid Expenses	19,130		19,130
Other Assets	9,810		9,810
Total Current Assets	<u>597,017</u>	<u>48,201</u>	<u>645,218</u>
Total Assets	<u>\$ 597,017</u>	<u>\$ 48,201</u>	<u>\$ 645,218</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Current Liabilities:			
Interfund Payables	4,472	\$ 48,201	\$ 52,673
Payable to District	10,786		10,786
Total Current Liabilities	<u>15,258</u>	<u>48,201</u>	<u>63,459</u>
Total Liabilities	<u>15,258</u>	<u>48,201</u>	<u>63,459</u>
Fund Balances:			
Restricted:			
Charter School Escrow Reserve	75,000		75,000
Unassigned:			
General Fund	506,759		506,759
Total Fund Balances	<u>581,759</u>	<u>-</u>	<u>581,759</u>
Total Liabilities and Fund Balances	<u>\$ 597,017</u>	<u>\$ 48,201</u>	

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

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

Right of use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds
The cost of the assets is \$1,240,314 and the accumulated depreciation is \$310,078. 930,236

Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds
Long-term debt included as net position from lease liabilities (1,021,454)

Net pension liability of \$168,111 ,plus deferred inflows of resources of \$116,793 less deferred outflows of resources of \$182,026 related to pensions are not reported in the governmental funds (102,878)

Net Position of Governmental Activities \$ 387,663

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

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Total
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 1,210,014	\$ -	\$ 1,210,014
Total Local Sources	1,210,014		1,210,014
State Sources	1,143,031	12,356	1,155,387
Federal Sources	-	188,543	188,543
Total Revenues	2,353,045	200,899	2,553,944
EXPENDITURES:			
Instruction	814,027	82,825	896,852
Administration	1,200,130		1,200,130
Support Services	207,902	118,074	325,976
Capital Outlay	1,033,595		1,033,595
Total Expenditures	3,255,654	200,899	3,456,553
Excess (Deficiency) of Revenues Over (Under) Expenditures	(902,609)		(902,609)
OTHER FINANCING SOURCES (USES):			
Transfer	1,095,966		1,095,966
Total Other Financing Sources (Uses)	1,095,966	-	1,095,966
NET CHANGE IN FUND BALANCES	193,357		193,357
FUND BALANCES, JULY 1	450,773	-	450,773
PRIOR PERIOD ADJUSTMENTS	(62,371)		(62,371)
FUND BALANCE, JULY 1, RESTATED	388,402		388,402
FUND BALANCES, JUNE 30	\$ 581,759	\$ -	\$ 581,759

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

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
 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, 2022

Total net change in fund balances - governmental fund (from B-2)	<u>\$ 193,357</u>
Amounts reported for governmental activities in the statement of activities (A-2)	-
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
<p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>	
Depreciation Expense	-
Amortization	(103,359)
Capital Outlay	<u>1,033,595</u>
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:</p>	
New long-term debt issued	(1,095,966)
Principal payment on long-term debt	74,512
Increase in accrued interest payable	
Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized	<u>116,430</u>
Change in net position of governmental activities	<u><u>\$ 218,569</u></u>

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

PROPRIETARY FUNDS

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
 Proprietary Fund
 Statement of Net Position
 June 30, 2022

	Business-Type Activities
	Food Service
ASSETS:	
Cash and Cash Equivalents	\$ 758
Due From Other Funds	4,471
Receivables From Other Government-Federal	497
Receivables From Other Government-State	47
Total Current Assets	5,773
Total Assets	\$ 5,773
LIABILITIES AND NET POSITION:	
Liabilities:	
Interfund Accounts Payable	\$ -
Total Current Liabilities	
Total Liabilities	
NET POSITION:	
Unrestricted	5,773
Total Net Position	5,773
Total Liabilities and Net Position	\$ 5,773

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

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2022

	Business-Type Activities Enterprise Fund		
	Food Service Program		
	School Nutrition	Fixed Contract	Total Enterprise
OPERATING REVENUES:			
Charges for Services:			
Daily Sales Reimbursable Program	\$ 21,100		\$ 21,100
Daily Sales- Non- Reimbursable Program			-
Total Operating Revenues	<u>21,100</u>		<u>21,100</u>
OPERATING EXPENSES:			
Cost of Sales- Reimbursable Programs	34,656		34,656
Cost of Sales- Non-Reimbursable Programs	-		-
Miscellaneous Expenses	180		180
Total Operating Expenses	<u>34,836</u>		<u>34,836</u>
OPERATING LOSS	<u>(13,736)</u>		<u>(13,736)</u>
NONOPERATING REVENUES:			
State Lunch Program	4,162		4,162
Federal Source:			
Federal Lunch Program	14,511		14,511
Total Nonoperating Revenues	<u>18,673</u>		<u>18,673</u>
CHANGE IN NET POSITION	4,937		4,937
TOTAL NET POSITION, JULY 1	<u>836</u>		<u>836</u>
TOTAL NET POSITION, JUNE 30	<u>\$ 5,773</u>		<u>\$ 5,773</u>

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

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
 Proprietary Funds
 Statement of Cash Flows
 For The Fiscal Year Ended June 30, 2022

	Business-Type Activities
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 21,100
Cash Payments to Suppliers and Employees	(39,410)
Net Cash Used In Operating Activities	(18,310)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received from Federal and State Reimbursements	18,674
Net Cash Provided by Noncapital Financing Activities	18,674
Net Increase in Cash and Cash Equivalents	364
Cash and Cash Equivalents, July 1	394
Cash and Cash Equivalents, June 30	\$ 758
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:	
Operating Loss	\$ (13,736)
Changes in Assets and Liabilities:	
Increase in Interfund Accounts Receivable	(4,472)
Decrease in Intergovernmental Accounts Receivable	(102)
Net Cash Used In Operating Activities	\$ (18,310)

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

FIDUCIARY FUNDS

NOTES TO THE FINANCIAL STATEMENTS

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Notes to the Financial Statements

June 30, 2022

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

The financial statements of the Riverbank Charter School of Excellence have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the accounting standard-setting body responsible for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Charter School are described below.

A. Reporting Entity

The Charter School is an instrumentality of the State of New Jersey, established to function as an educational institution. The school is governed by an independent Board of Trustees, which consists of parents, founders and other community representatives in accordance with its charter, which was appointed by the State Department of Education. An administrator is appointed by the board and is responsible for the administrative control of 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 School. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

The financial statements include all funds for the Charter School over which the Board of Trustees exercises operating control.

B. Basis of Presentation

The Charter School's basic financial statements consist of Charter School-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Charter School-wide Statements: 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 overall Charter School, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities.

These statements distinguish between the governmental and business-type activity of the Charter School. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

The statement of net position presents the financial condition of the governmental and business-type activities of the Charter School at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Charter School and for each function of the Charter School's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment 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. The fund financial statements provide information about the Charter School's funds. Separate statements for each fund category — *governmental* and *proprietary* — are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey Charter Schools to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among Charter School financial reporting models.

The Charter School reports the following governmental funds:

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

As required by the New Jersey State Department of Education, the Charter School includes 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.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Notes to the Financial Statements

June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

Special Revenue Fund: The special revenue fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

Debt Service Fund: Not Applicable.

The Charter School reports the following proprietary funds:

Enterprise (Food Service) Fund: This enterprise fund accounts for all revenues and expenses pertaining to the cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the Charter School reports the following fund type:

Fiduciary, Trust and Agency Fund Types: In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 – Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local government, including New Jersey school districts and their charter schools. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, or FY2020-2021. 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. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. After considering the criteria and guidance, it was determined that Payroll, Payroll Agency, and Unemployment Compensation Insurance (Fund 60), previously reported as fiduciary funds, that such activities are more appropriately reported in a general fund (Fund 10).

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fiduciary, Trust and Agency Fund Types (Continued):

Additionally, the charter school previously reported the activity of the Student Activity (Fund 90) as a fiduciary fund. Beginning in fiscal year 2021-2022, such activity are more appropriately reported in a special revenue fund (Fund 21).

C. Basis of Accounting – Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Charter School-wide, and Proprietary Fund Financial Statements: The Charter School-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund uses the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. The Charter School is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. Budgets are prepared using the modified accrual basis of accounting except for special revenue funds 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. All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. 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.

The following presents a reconciliation of the special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting:

	2022	2021
Total Revenues & Expenditures (Budgetary Basis)	\$ 200,899	\$ 64,746
Adjustments:		
Less Encumbrances at June 30, 2022	-	-
Plus Encumbrances at June 30, 2021	-	-
Total Revenues and Expenditures (GAAP Basis)	\$ 200,899	\$ 64,746

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Encumbrances Accounting

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

F. Assets, Liabilities, and Equity

Interfund Transactions:

Transfers between governmental and business-type activities on the Charter School-wide statements are reported in the same manner as general revenues.

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

Inventories:

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

Allowance for Uncollectible Accounts:

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

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Notes to the Financial Statements

June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Capital Assets:

The Charter School has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are reported at acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The Charter School does not possess any infrastructure. The capitalization threshold used by Charter Schools in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Office & Computer Equipment	5-10

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Right to Use Assets:

The Charter School has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Compensated Absences:

The Charter School employees do not accumulate sick leave, therefore, no liability is reflected in the basic financial statements.

Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

Accrued Liabilities and Long-Term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the Charter School-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

Net Position:

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Charter School's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance Reserves:

The Charter School reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion which is available for appropriation in future periods. A fund balance assignment has been established for encumbrances in accordance with N.J.S.A. 18:7.

Revenues — Exchange and Non-exchange Transactions:

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

Non-exchange transactions, in which the Charter School receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Notes to the Financial Statements

June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Equity (Continued)

include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching

Revenues — Exchange and Non-exchange Transactions (Continued)

requirements, in which the Charter School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis.

On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal yearend: property taxes available as an advance, interest, and tuition.

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the Charter School, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The Charter School reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Notes to the Financial Statements

June 30, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Assets, Liabilities, and Equity (Continued)

Management Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Accrued Salaries and Wages

Certain Charter School employees who provide services to the Charter School over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

G. Pensions

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 pension of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

H. Impact of Recently Issued and Adopted Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

During fiscal years 2022 through 2023, the District adopted the following GASB statements as required:

The Charter School has adopted the following as of June 30, 2022:

As a result of the adoption of GASB 87, leases are recognized as a right-of-use asset and a corresponding lease liability in other financial liabilities at the date at which the leased asset is available for use by the School. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are subject to impairment.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Notes to the Financial Statements

June 30, 2022

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Impact of Recently Issued and Adopted Accounting Principles (Continued)

**The Charter School has adopted the following as of June 30, 2022:
(Continued)**

The lease liability is measured at the present value of lease payments to be made over the lease term, discounted using the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily available. Lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the School and payment of penalties for termination of a lease when the lease term reflects the lessee exercising a termination option. Each lease payment is allocated between the repayment of the principal portion of lease liability and the interest portion. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period and is recorded in financing expense. Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the consolidated statement of income.

a. Impact of Recently Issued Accounting Principles

- GASB Statement No. 91, Conduit Debt Obligations, effective for the year ending June 30, 2023.
- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, effective for the year ending June 30, 2023.
- GASB Statement No. 99, Omnibus 2022, effective for the year ending June 30, 2023.
- GASB Statement No. 100, Accounting Changes and Error Corrections, effective for the year ending June 30, 2024.
- GASB Statement No. 101, Compensated Absences, effective for the year ending June 30, 2025.

The Charter School will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

NOTE 2: **CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Notes to the Financial Statements

June 30, 2022

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

purchase and thereafter assuming a constant amortization to maturity of any discount or premium. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40 requires disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments.

Category 1 includes deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 2 includes uninsured and unregistered deposits/investments held by the Board's custodial bank trust department or agent in the Board's name. Category 3 includes uninsured or unregistered deposits/investments held by a broker or dealer, or held by the Board's custodial bank trust department or agent but not in the Board's name. These categories are not broad representations that deposits or investments are "safe" or "unsafe".

Deposits

New Jersey statutes require that Charter Schools deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

Charter Schools are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal at least five percent of the average daily balance of collected public funds on deposit.

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

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

New Jersey statutes (N.J.S.A.18A:20-37) permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Notes to the Financial Statements

June 30, 2022

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase
- c. Bonds or other obligations of the Charter School.

As of June 30, 2022, cash and cash equivalents and investments of the Charter School consisted of the following:

	<u>General Fund</u>	<u>Proprietary Fund</u>
Operating Account	<u>\$ 385,289</u>	<u>\$ 758</u>

The investments recorded in the Charter School-wide statements have been recorded at amortized cost. In accordance with GASB 31, participating interest earning investment contracts that have a remaining maturity at the time of purchase of one year or less may be reported at amortized cost. For those securities purchased more than one year from the maturity date, the difference between the carrying amount and market value is not material to the Charter School-wide statements. The carrying amount of the Board's cash and cash equivalents at June 30, 2022 was and the bank balance was . All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. In general, bank deposits are classified as to credit risk by three categories described below:

Category 1 — Insured or collateralized with securities held by the Board or by its agent in the Board's name.

Category 2 — Collateralized with securities held by the pledging public depository's trust department or agent in the Board's name.

Category 3 — Uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board's name.

As of June 30, 2022, the Board had funds invested and on deposit in checking accounts. These funds constitute deposits with financial institutions" as defined by GASB Statement No. 40 and are classified as Category 1, both at year-end and throughout the year.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2022, the Charter School had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 3: RECEIVABLES

Receivables at June 30, 2022, consisted of accounts (tuition), intergovernmental, grants, and miscellaneous. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Funds		Total Governmental Activities	Fund			Total
	General Fund	Special Revenue Fund		Food Service Fund	Total Business Type Activities	Fiduciary Funds	
State Aid	\$ -	\$ 48,201	\$ 48,201	\$ 47	\$ 47		\$ 48,248
Federal Aid	-	-	-	497	497		497
Other	134,587	-	134,587	-	-		134,587
Gross Receivables	134,587	48,201	182,788	544	544		183,332
Less: Allowance for Uncollectibles	-	-	-	-	-		-
Total Receivables, Net	\$ 134,587	\$ 48,201	\$ 182,788	\$ 544	\$ 544		\$183,332

NOTE 4: INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to repay expenses paid by another fund.

The following interfund balances remained on the fund financial statements at June 30, 2022:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 48,201	\$ 4,472
Special Revenue Fund		48,201
Proprietary Fund	4,472	
Fiduciary Fund		
Total	\$ 52,673	\$ 52,673

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Notes to the Financial Statements

June 30, 2022

NOTE 5: CAPITAL ASSETS

On January 11, 2001, the New Jersey State Department of Education announced that effective July 1, 2001, the capitalization threshold used by Charter Schools in the State of New Jersey is increased to \$2,000. The previous threshold was \$500.

For the fiscal year ended June 30, 2022, there were no assets that exceeded the threshold amounts.

NOTE 6: RENTAL LEASE

Right To Use Lease Assets

The Charter School has recorded two right to use leased assets. The assets are right to use assets for leased equipment and leased school facility. The related leases are discussed in the Leases subsection of the Liabilities section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the Primary Government for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Leased Assets				
Leased Assets Being Amortized				
Leased - Real Estate Expense	1,240,314	0	0	1,240,314
Total Leased Assets Being Amortized	1,240,314	0	0	1,240,314
Less: Accumulated Amortization				
Leased - Real Estate Expense	(206,719)	(103,359)	0	(310,078)
Total Accumulated Amortization	(206,719)	(103,359)	0	(310,078)
Total, Net of Accumulated Amortization	1,033,595	(103,359)	0	930,235

NOTE 7: LONG-TERM OBLIGATIONS

A. LEASES

The School operates under a Business Lease ("Lease") agreement to lease classroom and office space. The school leased space at the premises located at 1238-1300 Hornberger Avenue, Roebling, NJ under a lease agreement for seven years commencing July 1, 2019 and ending June 30, 2026. The lease requires annual rental payments of \$147,600 for the first five years and \$149,076 for the last two years. In addition, the school is responsible for all utilities and certain building maintenance items as set forth in the lease.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 7: LONG-TERM OBLIGATIONS (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Maturity Analysis	Principal	Interest	Total
07/01/2022 - 06/30/2023	84,827	62,773	147,600
07/01/2023 - 06/30/2024	95,498	57,092	147,600
07/01/2024 - 06/30/2025	98,098	50,978	149,076
07/01/2025 - 06/30/2026	104,668	44,408	149,076
07/01/2026 - 06/30/2027	111,678	37,398	149,076
07/01/2027 - 06/30/2032	526,684	69,620	596,304
07/01/2032 - 06/30/2037	0	0	0
Total	1,021,454	322,268	1,338,732

Long-Term Debt Rollforward

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental Activities					
Lease Liabilities	-	1,021,454	-	\$1,021,454	74,825
Net Pension Liability	226,823	-	(58,712)	168,111	-
Governmental Activity long-term liability	<u>\$226,823</u>	<u>\$1,021,454</u>	<u>-</u>	<u>\$1,189,565</u>	<u>\$74,825</u>

NOTE 8: PENSION PLANS

Substantially all the Board's employees participate in one of the two, defined benefit public employee systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey. In addition, certain employees may participate in the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Annual

Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

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

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to tier 5 members upon 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age of which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation

The schedule of employer allocations and the schedule of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)
Allocation Methodology and Reconciliation to Financial Statements
(Continued)

amounts by employer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2020 through June 30, 2021.

Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amounts by employer. The allocation percentages for each group as of June 30, 2021 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The state's pension contributions is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009.

Such employers will be credited with the full payment amounts certified for payments due not be included in their unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Allocation Methodology and Reconciliation to Financial Statements (Continued)

rate of return on the actuarial value of assets. Charter School contributions to PERS amounted to \$ 16,619 for fiscal year 2022.

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

At June 30, 2022, the Charter School reported a liability of \$ 168,111 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 which was rolled forward to June 30, 2022. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021 measurement date, the Charter School's proportion was 0.00141907%, which was a decrease of 0.00002815% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the Charter School recognized pension expense of \$ 21,594 . At June 30, 2022, the Charter School reported deferred outflows of resources and deferred related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 876	\$ 59,848
Difference Between Expected and Actual Experience	2,651	1,203
Changes in Proportion	135,417	56,945
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	44,285	0
	\$ 183,229	\$ 117,996

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for the 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

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

Amounts reported as deferred outflows of resources and deferred inflows resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2022	\$ 25,416
2023	18,147
2024	12,373
2025	9,301
2026	(4)
	\$ 65,233

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuations as of July 1, 2020. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

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

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions (continued)

for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021,

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected future real rates of return (expected returns, net of pension plan investments expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of the June 30, 2021 measurement date are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2021. The single blended discount rate was based on the long-term expected rate of return on pension plan investment of 7.00% and a municipal bond rate of 3.87% as of June 30, 2021 based on the Bond Buyer Go 20-Bond Municipal Bond index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member rates and that contributions from employers will be made based on the contributions rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan investments was applied to projected benefit payment through June 30, 2057. Therefore the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the Charter School's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Measurement Date June 30, 2021			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 231,373	\$ 169,903	\$ 117,736

Measurement Date June 30, 2020			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 287,778	\$ 228,607	\$ 178,399

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

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

B. Teacher's Pension Annuity Fund (TPAF)

Pension Description

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefit Provided

The vesting and benefit provision 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 of 2% of related interest earned on the contributions. In the case of death before retirement, member's beneficiaries are entitled to full interest credited to the member's accounts. The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reach age 62 and to Tier 5 members upon 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Notes to the Financial Statements

June 30, 2022

NOTE 8: **PENSION PLANS (CONTINUED)**

Teacher's Pension Annuity Fund (TPAF) **Benefit Provided (Continued)**

before age 62 with 25 or more years of service credit and Tier 5 with 30 more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age of which a member can receive full early retirement benefits in accordance with their respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Allocation Methodology

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows in resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2021 measurement date. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

The contributions policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021 measurement date, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The Employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the Charter School. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contribution was less than the actuarial determined amount.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

Teacher’s Pension Annuity Fund (TPAF) (Continued)

Special Funding Situation (Continued)

This note discloses the portion of the Charter School’s total proportionate share of the net pension liability that is associated with the Charter School. During the fiscal year ended 2022, the State of New Jersey contributed to the TPAF for normal pension benefits on behalf of the Charter School, which is less than the contractually required contribution of \$ 223,990 .

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

As of the June 30, 2021 measurement date, the State’s proportionate share of the net pension liability associated with the Charter School was \$ 3,674,567 . The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021.

The Charter School’s proportion of the net pension liability was based on a projection of the Charter School’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At the June 30, 2021 measurement date, Charter School’s proportion was, which was 0.0076434% a decrease of 0.0000360% from its proportion measured as of June 30, 2020.

Charter School's Proportionate Share of the Net Pension Liability	\$	-
State's Proportionate Share of the Net Pension Liability Associated with the Charter School		3,674,567
Total	\$	3,674,567

For the measurement date of June 30, 2021, the State recognized pension expense on behalf of the Charter School in the amount of \$ 223,990 and the Charter School recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

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

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 5,289,559,561	\$ 24,224,281,713
Difference Between Expected and Actual Experience	941,265,828	142,774,569
Changes in Proportion and differences between employer contributions and proportionate share of contributions	142,705,445	142,705,445
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>-</u>	<u>2,854,036,178</u>
	<u>\$ 6,373,530,834</u>	<u>\$ 27,363,797,905</u>

The \$ 6,373,530,834 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$ 27,363,797,905 reported as a deferred inflow of resources resulting from the difference between projected and actual.

Fiscal Year <u>Ending June 30,</u>	<u>Total</u>
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	<u>(20,990,267,071)</u>

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

Teacher’s Pension Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate		
Price		2.75%
Wages		3.25%
Salary Increases:		
Through 2026		1.55 - 4.45%
		based on years of service
Thereafter		2.75 - 5.65%
		based on years of service
Investment Rate of Return		7.00%

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

The actuarial assumptions used in the July 1, 2020 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 pension investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension 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

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Notes to the Financial Statements

June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

Long Term Expected Rate of Return (Continued)

expected rate of return by weighing 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' target asset allocation as of the June 30, 2021 measurement date is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	8.00%	9.15%
Real Estate	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2021. The single blended discount rate was based on the long-term expected rate of return on pension plan investment of 7.00% and a municipal bond rate of 3.87% as of June 30, 2021 based on the Bond Buyer Go 20-Bond Municipal Bond index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contributions rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

Teacher’s Pension Annuity Fund (TPAF) (Continued)

Discount Rate – TPAF (continued)

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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the net pension liability of the State as of the June 30, 2021 measurement date calculated using the discount rate as disclosed above, as well as what the State’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Measurement Date June 30, 2021			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 4,355,838	\$ 3,681,507	\$ 3,115,112

Measurement Date June 30, 2020			
	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
Charter School's proportionate share of the Net Pension Liability	\$ 5,897,032	\$ 5,020,387	\$ 4,292,480

Pension Plan Fiduciary Net Position – TPAF

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP, which is a

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Notes to the Financial Statements

June 30, 2022

NOTE 8: **PENSION PLANS (CONTINUED)**

Defined Contribution Retirement Program (DCRP) (Continued)

defined contribution plan. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by the New Jersey Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by the State of New Jersey regulation. Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums.

For DCRP, the Charter School recognized no pension expense for the fiscal year ended June 30, 2022. There were no employee contributions to DCRP for the fiscal year ended June 30, 2022.

Post Retirement Benefits

General Information about the OPEB Plan

Plan Description and Benefits Provided

The school is in a "special funding situation", as described in GASB Statement No. 75 in that OPEB contributions and expense are legally required to be made by and are the sole responsibility of the State of New Jersey.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Notes to the Financial Statements

June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

General Information about the OPEB Plan (Continued)

Plan Description and Benefits Provided (continued)

administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 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 total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

Employees covered by benefit terms:

At June 30, 2021 the OPEB plans measurement period, the following employees were covered by the benefit terms:

Active plan member	213,901
Inactive plan members or beneficiaries currently receiving benefits	150,427
Inactive plan members entitled to but not yet receiving benefit payments	-
Total	<u>364,328</u>

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Notes to the Financial Statements

June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

General Information about the OPEB Plan (Continued)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%			
		<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases				
Through 2026		1.55% to 4.45% based on service years	2.00% to 6.00% based on service years	3.25% to 15.25% based on service years
Rate thereafter		2.75% to 5.65% based on service years	3.00% to 7.00% based on service years	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2022. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2022. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2022.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2015- June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013- June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate 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 2022

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

General Information about the OPEB Plan (Continued)

Health Care Trend Assumptions (Continued)

through 2022 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%.

Discount rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021	\$ 2,252,746
Service cost	316,439
Interest on Total OPEB Liability	55,671
Effect on Changes of Benefit Terms	(2,284)
Difference between expected and actual experience	(436,219)
Effect of Changes of Assumptions	2,117
Contributions - Employee	1,423
Gross Benefits Paid by the State	(43,853)
Net Changes	(106,706)
Balance at June 30, 2021	2,146,040

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate:

The following presents the total nonemployer OPEB liability as of the June 30, 2021 measurement date calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Measurement Date Ended June 30, 2021		
	At 1%	At current	At 1%
	Decrease (1.16%)	discount rate (2.16%)	Increase (3.21%)
Total OPEB Liability	\$ 2,570,619	\$ 2,146,040	\$ 1,811,710

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

General Information about the OPEB Plan (Continued)

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB liability as of the June 30, 2021 measurement date calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1- percentage point higher than the current rate:

	Measurement Date Ended June 30, 2021		
	At 1% decrease	Trend Rate	At 1% Increase
Total OPEB Liability	\$ 1,737,226	\$ 2,146,040	\$ 2,695,047

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

For the fiscal year ended June 30, 2022 the Charter School recognized OPEB expense of \$ 279,733 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

In accordance with GASB Statement 75, as the Charter School's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2022 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between Actual and Expected Experience	\$ 323,506	\$ 644,065
Net Difference between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumption Changes	\$ 364,048	230,250
Sub Total	687,554	874,315
Contributions Made in Fiscal Year 2021 after June 30, 2020 Measurement Date	TBD	N/A
Total	TBD	874,315

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

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to the Financial Statements
June 30, 2022

NOTE 8: PENSION PLANS (CONTINUED)

General Information about the OPEB Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Measurement Period ending June 30		
2022	\$	(42,282)
2023	\$	(42,282)
2024	\$	(42,282)
2025	\$	(42,282)
2026	\$	(30,062)
Total Thereafter	\$	<u>12,432</u>
	\$	<u><u>(186,760)</u></u>

NOTE 9: RISK MANAGEMENT

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

Property and Liability Insurance

The Charter School maintains commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

NOTE 10: CONTINGENCIES

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

NOTE 11: CONCENTRATIONS

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

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Notes to the Financial Statements

June 30, 2022

NOTE 12: FUND BALANCE

General Fund

The General Fund surplus in the financial statements at June 30, 2022, was \$581,759 of which \$ 506,759 is unassigned.

NOTE 13: IMPLEMENTATION OF NEW ACCOUNTING STANDARD AND RESTATEMENT OF NET POSITION

In June of 2017, the GASB issued Statement no. 87, Leases. GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB Statement No. 87 were effective for reporting periods beginning after June 15, 2021. The School adopted GASB Statement No. 87 effective July 1, 2021. The implementation of GASB Statement No. 87 required retrospective application to prior periods resulting in the restatement of net position and fund balance as of the beginning of the year.

NOTE 14: SUBSEQUENT EVENTS

Subsequent events were evaluated through February 24, 2023 the date the financial statements were available to be issued.

NOTE 15: IMPACT OF COVID-19

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Charter School's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Charter School is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2023.

Although the Charter School cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material effect on the Charter School's results of future operations, financial position, and liquidity in fiscal year 2023.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULE

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
"Local Levy" Local Share - Charter School Aid	\$ 1,609,680	\$ -	\$ 1,609,680	\$ 1,210,014	\$ (399,666)
Total Local Sources	1,609,680	-	1,609,680	1,210,014	(399,666)
Categorical Aid:					
"Local Levy" State Share - Charter School Aid	306,606	-	306,606	653,219	346,613
Special Education	33,491	-	33,491	20,274	(13,217)
Security Aid	18,576	-	18,576	19,797	1,221
Total Categorical Aid	358,673	-	358,673	693,290	334,617
Revenues From Other Sources:					
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	64,219	64,219
On Behalf Pension Aid (Non-Budgeted)				312,372	312,372
On Behalf Post Retirement Medical Aid (Non-Budgeted)				72,983	72,983
On Behalf Long-Term Disability Insurance Aid (Non-Budgeted)				167	167
Total Revenues From Other Sources	-	-	-	449,741	449,741
Total Revenues	1,968,353	-	1,968,353	2,353,045	384,692
EXPENDITURES:					
Instruction:					
Kindergarten - Salaries of teachers	775,000	(57,356.00)	717,644	753,994	(36,350)
Other Salaries for Instruction	30,000	(17,400.00)	12,600	12,600	-
Purchased Prof/Tech Services	6,500	(5,724)	776	776	-
Other Purchased Services	20,000	(20,000)	-	-	-
General Supplies	30,000	35,000	65,000	46,657	18,343
Textbooks	8,000		8,000	-	8,000
Miscellaneous	3,000	(1,626)	1,374	-	1,374
Total Instruction	872,500	(67,106)	805,394	814,027	(8,633)
Administration:					
Salaries - General Administration	365,000	(13,131)	351,869	351,869	-
Salaries of Secretarial/Clerical Assistants	58,000	52,100	110,100	110,100	-
Total Benefits Cost	260,000	(2,823)	257,177	189,065	68,112
Purchases Prof/Tech Services	43,000	8,665	51,665	51,712	(47)
Other Purchased Services	20,500	35,371	55,871	36,263	19,608
Communications/Telephone	8,000		8,000	7,127	873
Supplies and Materials	6,000	2,000	8,000	4,209	3,791
Miscellaneous Expenses	3,000	(2,875)	125	44	81
Total Administration	763,500	79,307	842,807	750,389	92,418
Support Services:					
Rental of Land and Buildings	156,660	(21,000)	135,660		135,660
Debt Service - Principal and Interest				147,600	(147,600)
Transportation-Other Than To/From School	2,500	(2,500)	-		-
Insurance for Property, Liability and Fidelity	35,000	(828)	34,172	34,925	(753)
Supplies and Materials	6,000	4,750	10,750		10,750
Energy Costs (Heat and Electricity)	15,000	10,377	25,377	25,377	-
Miscellaneous Expenses	3,000	(3,000)	-		-
Total Support Services	218,160	(12,201)	205,959	207,902	(1,943)

See Management's Discussion and Analysis section of this report for an explanation of significant budget variances, original and final.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Capital Outlay:					
Lease Purchase Agreements-Principal				1,033,595	(1,033,595)
Total Capital Outlay	-	-	-	1,033,595	(1,033,595)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				\$ 64,219	\$ (64,219)
On Behalf Pension Contributions (Non-Budgeted)				312,372	(312,372)
On Behalf Post-Retirement Medical Contributions (Non-Budgeted)				72,983	(72,983)
On Behalf Long-Term Disability Insurance Contributions (Non-Budgeted)				167	(167)
Total Expenditures	1,854,160	-	1,854,160	3,255,654	(1,328,344)
Excess (Deficiency) of Revenues Over (Under) Expenditures	114,193		114,193	(902,609)	(1,016,802)
OTHER FINANCING SOURCES (USES):					
Lease Liabilities Issued				1,095,966	1,095,966
Total Other Financing Sources (Uses)	-	-	-	1,095,966	1,095,966
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	114,193	-	114,193	193,357	79,164
FUND BALANCE, JULY 1	502,917	-	502,917	450,773	52,144
PRIOR PERIOD ADJUSTMENT				(62,371)	(62,371)
FUND BALANCE, JULY 1, RESTATED	502,917	-	502,917	388,402	(114,515)
FUND BALANCE, JUNE 30	<u>\$ 617,110</u>	<u>\$ -</u>	<u>\$ 617,110</u>	<u>\$ 581,759</u>	<u>\$ (35,351)</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures Budgeted Fund Balance	<u>\$ 617,110</u>	<u>\$ -</u>	<u>617,110</u>	<u>\$ 581,759</u>	<u>\$ (35,351)</u>
Total	<u>\$ 617,110</u>	<u>\$ -</u>	<u>\$ 617,110</u>	<u>\$ 581,759</u>	<u>\$ (35,351)</u>

See Management's Discussion and Analysis section of this report for an explanation of significant budget variances, original and final.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Federal Sources	\$ 507,800	\$ -	\$ 507,800	\$ 188,543	\$ (319,257)
State Sources	12,356		12,356	12,356	-
Total Revenues	<u>520,156</u>	<u>-</u>	<u>520,156</u>	<u>200,899</u>	<u>(319,257)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	197,735	-	197,735	61,735	136,000
General Supplies	44,598	-	44,598	21,090	23,508
Total Instruction	<u>242,333</u>	<u>-</u>	<u>242,333</u>	<u>82,825</u>	<u>159,508</u>
Support Services:					
Personal Services - Employee Benefits	62,395	-	62,395	19,343	43,052
Purchased Prof/Ed Services	4,500	-	4,500		4,500
Purchased Property Services	68,731	-	68,731	68,731	-
Supplies and Materials	57,197	-	57,197	30,000	27,197
Total Support Services	<u>277,823</u>	<u>-</u>	<u>277,823</u>	<u>118,074</u>	<u>159,749</u>
Total Expenditures	<u>520,156</u>	<u>-</u>	<u>520,156</u>	<u>200,899</u>	<u>319,257</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
 Budgetary Comparison Schedule
 Budget-To-GAAP Reconciliation
 Note to RSI
 For the Fiscal Year Ended June 30, 2022

Note A - Explanation of differences between Budgetary Inflows and GAAP Revenues and Expenditures

		General Fund		Special Revenue Fund
Sources/Inflows of Resources				
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1]	\$ 2,353,045	[C-2]	\$ 200,899
 Difference - Budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized				-
 Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 2,353,045	[B-2]	\$ 200,899
 Uses/Outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 3,255,654	[C-2]	\$ 200,899
 Differences - Budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.				-
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 3,255,654	[B-2]	\$ 200,899

REQUIRED SUPPLEMENTARY INFORMATION – PART III

***SCHEDULE L - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
PENSIONS (GASB 68)***

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST NINE FISCAL YEARS
 UNAUDITED

	Fiscal Year Ending June 30,								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Charter School's proportion of the net pension liability	0.00055808%	0.00186527%	0.21020510%	0.00673806%	0.00679193%	0.00128474%	0.00069209%	0.00139092%	0.00141907%
Charter School's proportionate share of the net pension liability	\$ 106,660	\$ 349,229	\$ 199,562	\$ 158,105	\$ 158,105	\$ 252,959	\$ 124,704	\$ 226,823	\$ 168,111
Charter School's covered employees payroll	\$ 333,924	\$ 304,858	\$ 47,050	\$ 90,221	\$ 421,140	\$ 100,661	\$ 104,000	\$ 107,120	\$ 134,800
Charter School's proportionate share of the net pension liability as a percentage of its covered employee payroll	32%	115%	424%	175%	38%	251%	120%	212%	125%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	47.93%	45.37%	51.55%	51.55%	53.60%	58.32%	51.52%

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

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF THE CHARTER SCHOOL CONTRIBUTIONS
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST NINE FISCAL YEARS
 UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 4,205	\$ 15,377	\$ 18,072	\$ 5,986	\$ 6,292	\$ 12,894	\$ 6,732	\$ 15,217	\$ 16,619
Contributions in relation to the contractually required contribution	(4,205)	(15,377)	(18,072)	(5,986)	(6,292)	(12,894)	(6,732)	(15,217)	(16,619)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charter School's covered employee payroll	\$ 333,924	\$ 304,858	\$ 47,050	\$ 90,221	\$ 421,140	\$ 100,661	\$ 104,000	\$ 107,120	\$ 134,800
Contributions as a percentage of covered employee payroll	1.26%	5.04%	38.41%	6.63%	1.49%	12.81%	6.47%	14.21%	12.33%

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

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHER'S PENSION AND ANNUITY FUND
 LAST NINE FISCAL YEARS
 UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022
State's proportion of the net pension liability attributable of the Charter School	0.0129349%	0.0059533%	0.66135000%	0.00731900%	0.00868632%	0.00822581%	0.00720464%	0.00760740%	0.00764337%
State's proportionate share of the net pension liability attributable to the Charter School	\$ 2,295,341	\$ 3,181,852	\$ 4,180,014	\$ 5,757,625	\$ 5,856,633	\$ 5,233,080	\$ 4,421,555	\$ 5,009,378	\$ 3,674,567
Charter School's covered employees payroll	\$ 496,674	\$ 672,394	\$ 796,246	\$ 806,243	\$ 832,557	\$ 666,931	\$ 875,490	\$ 925,360	\$ 878,400
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	462.14%	473.21%	524.97%	714.13%	703.45%	784.65%	505.04%	541.34%	418.33%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%	22.33%	22.33%	26.95%	24.48%	35.52%

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

***SCHEDULE M - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS***

Riverbank Charter School of Excellence
Required Supplementary Information Schedules
Schedule of Changes in the Charter School's Net OPEB Liability and Related Ratios
Last Five Fiscal Years
(Unaudited)

	Measurement Date Ending					
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
OPEB Liability at Beginning of Measurement Period	\$	1,479,337	\$ 1,438,826	\$ 1,080,738	\$ 1,179,433	\$ 2,252,746
Service cost		198,247	162,888	136,964	179,009	316,439
Interest on Total OPEB Liability		47,357	56,846	46,452	46,886	55,671
Effect on Changes of Benefit Terms		-	-	-	-	(2,284)
Difference between expected and actual experience		(254,016)	(425,902)	(67,174)	473,948	(436,219)
Effect of Changes of Assumptions		1,227	(124,020)	17,585	411,499	2,117
Contributions - Employee		1,227	999	1,073	1,189	1,423
Gross Benefits Paid by the State		(33,326)	(28,899)	(36,205)	(39,218)	(43,853)
OPEB Liability at Beginning of Measurement Period		(40,511)	(358,088)	98,695	1,073,313	(106,706)
Net Change in Total OPEB Liability		1,479,337	1,438,826	1,080,738	1,179,433	2,252,746
Total OPEB Liability at End of Measurement Period		-	1,438,826	1,080,738	2,252,746	2,146,040
Expected OPEB Liability at End of Measurement Period		1,479,337	1,438,826	1,080,738	1,179,433	2,252,746
Total OPEB Liability at End of Measurement Period		1,479,337	1,438,826	1,080,738	2,252,746	2,146,040

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule:

Changes in benefit terms: The \$63,870,842 decrease in liability from June 20,2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The \$11,385,071,658 decrease in the liability from June 30, 2020 to June 30, 2021 is due to changes in the census claims

Update in census information	\$ (591,982,074)
Premium and Claims Experience	(10,793,089,584)
Total	(\$11,385,071,658)

Changes in Assumptions:

The \$59,202,105 increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of the following:

Trend Update	\$ 141,651,103
Mortality Projection Scale Update	270,835,004
Discount Rate Change	536,297,378
Salary Scale	(889,581,380)
Total Changes in Assumption	\$ 59,202,105

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR FISCAL YEAR ENDED JUNE 30, 2022

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate remained at 7.00% as of June 30, 2020 and June 30, 2021 in accordance with Paragraph 44 of GASB Statements No. 67.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHER'S PENSION AND ANNUITY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2022

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 5.60% as of June 30, 2020 to 7.00% as of June 30, 2021 in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

**SECTION E – SPECIAL REVENUE FUND
DETAIL STATEMENTS**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expandable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2022

TITLE I	IDEA Preschool	IDEA Basic	IDEA ARP Preschool	IDEA ARP Basic	ESSER II	ESSER II Learning Acc	ESSER II Mental Health	CHARTER FACILITY	Total
Revenues:									
Federal Sources	361	25,748	596	6,990	56,375	25,000	40,500	0	188,543
State Sources	-	-	-	-	-	-	-	12,356	12,356
Total Revenues	\$ 361	\$ 25,748	\$ 596	\$ 6,990	\$ 56,375	\$ 25,000	\$ 40,500	\$ 12,356	\$ 200,899
Expenditures:									
Instruction:									
Salaries of Teachers	-	17,500	-	4,485	-	18,750	-	-	61,735
General Supplies	361	373	596	487	-	6,250	10,500	-	21,090
Total Instruction	361	17,873	596	4,972	-	25,000	10,500	-	82,825
Support Services:									
Personal Services/Employee Benefits	-	7,875	-	2,018	-	-	-	-	19,343
Purchased Property Services	-	-	-	-	56,375	-	-	12,356	68,731
Supplies and Materials	-	-	-	-	-	-	30,000	-	30,000
Total Support Services	-	7,875	-	2,018	56,375	-	30,000	12,356	118,074
Total Expenditures	361	25,748	596	6,990	56,375	25,000	40,500	12,356	200,899
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**SECTION G – PROPRIETARY FUNDS
DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Charter School’s board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food service in all Charter School.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, AND
B-6.**

**STATISTICAL SECTION
(UNAUDITED)**

Riverbank Charter School of Excellence has been in operation for ten (10) years. GASB requires that ten years of statistical data be presented. State law usually grants charters for less than ten years. Therefore, only statistical data for ten (10) years are available and have been presented. Each year thereafter, an additional year's data will be included until ten years of data is presented.

Contents

Financial Trends

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

Revenue Capacity (Not Applicable To Charter School)

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

FINANCIAL TRENDS

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
 Full-Time Equivalent Charter School Employees by Function
 Last Ten Fiscal Years

Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction	14	15	14	14	14	14	15	13	12	11
Administrative	2	4	2	2	2	2	2	3	3	2
Support Services	2	1	2	2	2	2	2	3	3	2
Food Service	4	4	0	4	4	4	4	1	1	-
Total	22	24	18	22	22	22	23	20	19	15

Source: Charter School's Records

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Net Assets/Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities										
Restricted	\$ 75,000	75,000								
Unrestricted	\$ 312,663	156,465	322,179	185,062	135,137	(33,011)	(102,725)	134,561	289,501	330,428
Total Governmental Activities Net Assets/Position	\$ 387,663	\$ 231,465	\$ 322,179	\$ 185,062	\$ 135,137	\$ (33,011)	\$ (102,725)	\$ 134,561	\$ 289,501	\$ 330,428
Business-Type Activities										
Unrestricted	\$ 5,774	836	150	8,336	9,647	(1,057)	11,828	11,022	10,849	12,528
Total Business-Type Activities Net Assets/Position	\$ 5,774	\$ 836	\$ 150	\$ 8,336	\$ 9,647	\$ (1,057)	\$ 11,828	\$ 11,022	\$ 10,849	\$ 12,528
Charter School-wide										
Unrestricted	\$ 318,437	157,301	322,329	193,398	144,784	(34,068)	(90,897)	145,583	300,350	342,956
Total Charter School-wide Net Assets/Position	\$ 393,437	\$ 232,301	\$ 322,329	\$ 193,398	\$ 144,784	\$ (34,068)	\$ (90,897)	\$ 145,583	\$ 300,350	\$ 342,956

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Changes in Net Assets/Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental Activities:										
Instruction	\$ 1,116,318	\$ 1,081,052	\$ 991,738	\$ 957,710	\$ 807,553	\$ 899,609	\$ 1,005,887	\$ 962,257	\$ 771,055	\$ 896,360
Administration	867,987	908,936	902,029	895,556	895,225	836,932	722,448	588,719	762,587	441,606
Support Services	174,623	245,042	182,620	204,557	174,178	184,831	188,044	243,721	159,199	147,945
Interest on Long - Term Debt	73,088	-	-	-	-	-	-	-	-	-
Unallocated Amortization and Depreciation	103,359	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	2,336,375	2,235,030	2,076,387	2,057,823	1,876,956	1,921,372	1,916,379	1,805,392	1,692,841	1,485,911
Business-Type Activities:										
Food Service	34,836	14,621	31,257	30,885	24,347	25,223	25,282	23,560	23,245	24,821
Total Business-Type Activities Expenses	34,836	14,621	31,257	30,885	24,347	25,223	25,282	23,560	23,245	24,821
Total Charter School Expenses	\$ 2,370,211	\$ 2,249,651	\$ 2,107,644	\$ 2,088,708	\$ 1,901,303	\$ 1,946,595	\$ 1,941,661	\$ 1,828,952	\$ 1,716,086	\$ 1,510,732
Program Revenues										
Governmental Activities:										
Operating Grants and Contributions	\$ 20,274	\$ 12,641	\$ 8,349	\$ 12,708	\$ 30,639	\$ 21,428	\$ 23,638	\$ 27,513	\$ 24,417	\$ 15,468
Total Governmental Activities Expenses	20,274	12,641	8,349	12,708	30,639	21,428	23,638	27,513	24,417	15,468
Business-Type Activities:										
Charges for Services	21,101	7,295	13,457	18,258	-	-	11,535	10,794	10,264	-
Operating Grants and Contributions	18,673	8,012	9,614	11,316	10,478	12,338	14,553	12,939	11,302	24,461
Total Business-Type Activities Expenses	39,774	15,307	23,071	29,574	10,478	12,338	26,088	23,733	21,566	24,461
Total Charter School Program Revenue	\$ 60,048	\$ 27,948	\$ 31,420	\$ 42,282	\$ 41,117	\$ 33,766	\$ 49,726	\$ 51,246	\$ 45,983	\$ 39,929
Net (Expense)/Revenue										
Governmental Activities:										
General Purposes	\$ (2,315,101)	\$ (2,222,389)	\$ (2,068,038)	\$ (2,045,115)	\$ (1,846,317)	\$ (1,899,944)	\$ (1,892,741)	\$ (1,777,879)	\$ (1,668,424)	\$ (1,470,443)
Business-Type Activities	4,938	686	(8,186)	(1,311)	(13,869)	(12,885)	806	173	(1,679)	(360)
Total Charter School Net Expense	\$ (2,310,163)	\$ (2,221,703)	\$ (2,076,224)	\$ (2,046,426)	\$ (1,860,186)	\$ (1,912,829)	\$ (1,891,935)	\$ (1,777,706)	\$ (1,670,103)	\$ (1,470,803)
General Revenues and Other Changes in Net Assets/Position										
Governmental Activities:										
Federal and State Aid Not Restricted	\$ 1,210,014	\$ 1,051,388	\$ 1,027,208	\$ 984,958	\$ 813,191	\$ 869,872	\$ 900,838	\$ 950,807	\$ 926,518	\$ 519,692
Miscellaneous Income	1,311,300	1,080,247	1,177,947	1,110,082	1,201,274	859,800	754,617	807,677	700,980	1,035,466
Total Governmental Activities	2,533,670	2,131,635	2,205,155	2,095,040	2,014,465	1,764,672	1,655,455	1,770,970	1,627,498	1,555,158
Total Charter School Wide	\$ 2,533,670	\$ 2,131,635	\$ 2,205,155	\$ 2,095,040	\$ 2,014,465	\$ 1,764,672	\$ 1,655,455	\$ 1,770,970	\$ 1,627,498	\$ 1,555,158
Change in Net Assets/Position										
Governmental Activities	\$ 218,569	\$ (90,754)	\$ 137,117	\$ 49,925	\$ 168,148	\$ (135,272)	\$ (237,286)	\$ (6,909)	\$ (40,926)	\$ 84,715
Business-Type Activities	4,938	686	(8,186)	(1,311)	(13,869)	(12,885)	806	173	(1,679)	(360)
Total Charter School	\$ 223,507	\$ (90,068)	\$ 128,931	\$ 48,614	\$ 154,279	\$ (148,157)	\$ (236,480)	\$ (6,736)	\$ (42,605)	\$ 84,355

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
 Fund Balances - Governmental Funds
 Last Ten Fiscal Years
(modified accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund Unassigned	\$ 581,759	\$ 450,773	\$ 561,087	\$ 417,734	\$ 352,555	\$ 195,644	\$ 102,261	\$ 282,592	\$ 289,501	\$ 330,428
Total General Fund	\$ 581,759	\$ 450,773	\$ 561,087	\$ 417,734	\$ 352,555	\$ 195,644	\$ 102,261	\$ 282,592	\$ 289,501	\$ 330,428

OPERATING INFORMATION

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Local Sources:										
Revenue from Community Services Activities	\$ 1,210,014	\$ 1,051,388	\$ 1,027,208	\$ 984,958	\$ 813,191	\$ 904,872	\$ 900,838	\$ 963,293	\$ 926,518	\$ 519,692
State Sources	1,143,031	1,028,142	986,230	920,872	952,670	847,661	742,823	803,826	694,526	1,037,460
Federal Sources	188,543	64,746	66,468	50,332	48,680	33,567	35,432	31,364	30,871	13,474
Total Revenues	2,553,944	2,144,276	2,079,906	1,956,162	1,814,541	1,786,100	1,679,093	1,798,483	1,651,915	1,570,626
Expenditures:										
Instruction	896,852	840,302	795,754	739,009	661,124	723,810	773,959	815,559	614,694	713,829
Administration	1,200,130	1,169,246	958,179	946,073	822,328	784,076	897,421	723,316	909,256	615,427
Support Services	325,976	245,042	182,620	205,901	174,178	184,831	188,044	255,822	168,891	156,655
Capital Outlay	1,033,595	-	-	-	-	-	-	10,695	-	-
Total Expenditures	3,456,553	2,254,590	1,936,553	1,890,983	1,657,630	1,692,717	1,859,424	1,805,392	1,692,841	1,485,911
Excess (Deficiency) of Revenues Over (Under) Expenditures	(902,609)	(110,314)	143,353	65,179	156,911	93,383	(180,331)	(6,909)	(40,926)	84,715
Other Financing Source (Uses):										
Transfers In	1,095,966	-	-	-	-	-	-	-	-	-
Total Other Financing Uses	1,095,966	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ 193,357	\$ (110,314)	\$ 143,353	\$ 65,179	\$ 156,911	\$ 93,383	\$ (180,331)	\$ (6,909)	\$ (40,926)	\$ 84,715

RIVERBANK CHARTER SCHOOL OF EXCELLENCE

Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil / Teacher Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percent Change in Average Daily Enrollment	Student Attendance Percentage
2022	154	\$ 2,222,059	\$ 14,429	0.81%	14	10.7:1	154	149	0.65%	96.75%
2021	153	2,189,844	\$ 14,313	18.63%	15	10.7:1	153	149	1.31%	97.39%
2020	155	1,870,085	\$ 12,065	1.60%	14	10.3:1	151	97.8	-2.65%	64.77%
2019	155	1,840,651	\$ 11,875	6.28%	14	10.3:1	155	151	8.39%	97.42%
2018	144	1,608,950	\$ 11,173	-3.03%	0	10.3:1	142	141	0.00%	99.30%
2017	144	1,659,150	\$ 11,522	-9.04%	0	9.3:1	142	141	0.00%	99.30%
2016	144	1,823,992	\$ 12,667	6.40%	15	9.6:1	142	136	0.00%	95.77%
2015	143	1,702,369	\$ 11,905	1.71%	13	11:1	142	144	-0.70%	101.41%
2014	142	1,661,970	\$ 11,704	-2.83%	12	9:1	143	138	0.70%	96.50%
2013	135	1,472,437	\$ 10,907	17.59%	11	10:1	142	138	12.59%	97.18%

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
 Insurance Schedule
 June 30, 2021
 (Unaudited)

	Coverage	Deductible
COMMERCIAL PACKAGE		
<i>Commercial General Liability - Great American</i>		
Each Occurrence	\$ 1,000,000	
General Aggregate	2,000,000	
Products-completed operations aggregate limit	2,000,000	
Personal and advertising injury	1,000,000	
Damage to premises rented	100,000	
Premises medical payments	5,000	
<i>Commercial Property - Great American</i>		
Building (RC) 90% co-ins	\$ 3,000,000	\$ 1,000
Business Personal Property	75,000	1,000
Equipment Breakdown Limit	3,075,000	
<i>Business Automobile Coverage - Great American</i>		
Non-owned and Hired Car Limit	\$ 1,000,000	
<i>Umbrella Liability - Great American</i>		
Limit of Liability Each occurrence	\$ 4,000,000	
General Aggregate	4,000,000	
Products/Completed Ops Agg	4,000,000	
Self-Insured Retention	10,000	
<i>Workman's Compensation - The Hartford</i>		
Bodily Injury by Accident	\$ 1,000,000	
Bodily Injury by Disease (policy limit)	1,000,000	
Bodily Injury by Disease (each employee)	1,000,000	
<i>D&O Including Employment Related Practices & Educators</i>		
<i>Wrongful Acts (Great American)</i>		
D&O Limit	\$ 1,000,000	
Employment Related Practices Limit	1,000,000	
Retention Limit		\$ 2,500

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
 New Jersey Performance Framework Financial Ratios
 Audited Performance Indicators
 Last Three Fiscal Years

	2020 Audit	2021 Audit	2022 Audit	Source
Cash	297,844	395,973	434,248	Audit: Exhibit A-1
Current Assets (include cash)	574,584	459,471	602,791	Audit: Exhibit A-1
Current Liabilities	13,347	8,105	15,258	Audit: Exhibit A-1
Total Expenses	2,107,644	2,249,651	2,370,211	Audit: Exhibit A-2
Change in Net Position	128,931	(90,088)	223,507	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	151.00	153.00	154.00	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	155	153	154	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	-	-	-	Auditor/Workpapers
Interest Expense	-	-	73,088	Auditor/Workpapers
Principal Payments	-	-	-	Auditor/Workpapers
Interest Payments	-	-	73,088	Auditor/Workpapers

Performance Indicators		2020	2021	2022	3 YR CUM	Calculation****	Target****
Near Term Indicators							
1a.	Current Ratio (working capital ratio)	43.05	56.69	39.51		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b.	Unrestricted days cash on hand	52	64	67		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c.	Enrollment Variance	97%	100%	100%	99%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.**	Default on loans or delinquent in debt payments	NO	NO	NO		Auditor	not in default
Sustainability Indicators							
2a***	3 Year Cumulative Cash Flow	30,236	98,129	38,275	166,640	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b	Debt Service Coverage Ratio	N/A	N/A	4.06		N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

* For renaissance schools: use Oct 15 count; if no final count, use head count if ADE not available
 ** Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No
 *** 2022 =2022 Cash; -2021 Cash; 2021 =2021 Cash; -2020 Cash; 2020 =2020 Cash; -2019 Cash
 **** Refer to NJ Performance Framework

Meets Standard
 Does Not Meet Standard
 Falls Far Below Standard

SINGLE AUDIT SECTION

BARRE & COMPANY LLC
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**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 President and
Members of the Board of Trustees
Riverbank Charter School of Excellence
County of Burlington
Roebbling, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in compliance with 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, and each major fund of Riverbank Charter School of Excellence (Charter School), in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements and have issued our report thereon dated February 24, 2023, which contains an emphasis of matter paragraph describing the adoption of a new accounting principle and consistency of financial statements.

Internal Control over Financial Reporting

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

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* 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 our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and state awarding agencies and pass-through entities in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


Richard M. Barre
Public School Accountant
PSA Number CS-01181

Union, New Jersey
February 24, 2023

BARRE & COMPANY LLC
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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY STATE OF
NEW JERSEY CIRCULAR 15-08 OMB**

Honorable President and
Members of the Board of Trustees
Riverbank Charter School of Excellence
County of Burlington
Roebling, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Riverbank Charter School of Excellence’s compliance with the types of compliance requirements described in the New Jersey Circular 15-08-OMB State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2022. The Riverbank Charter School of Excellence’s major state programs are identified in the Summary of Auditor’s Results Section of the accompanying schedule of findings and questioned costs.

In our opinion, the Riverbank Charter School of Excellence, in the County of Burlington, State of New Jersey, 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, 2022.

Basis for Opinion on Each Major State Program

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

We are required to be independent of Riverbank Charter School of Excellence and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program.

Our audit does not provide a legal determination of Riverbank Charter School of Excellence's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Office of School Finance, Department of Education, State of New Jersey; and New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, we:

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

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


Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey Circular OBM 15-08. Accordingly, this report is not suitable for any other purpose.


Barre & Company LLC. CPA's


Richard M. Barre
Licensed Public School Accountant
No. CS-01181
Barre & Company, CPA's

Union, New Jersey
February 24, 2023

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Schedules of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Assistance Listing Number	Federal Award Identification	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2021	Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures	Pass-Through To Subrecipients	Adjustments	Repayment Of Prior Years' Balances	Balance at June 30, 2022	
													Accounts Receivable	Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
No Child Left Behind:														
84.010A	N/A	S010A150030	NCLB - 6026 - 22	32,973	7/1/21 6/30/22	\$ -	\$ -	9,231	(32,973)	\$ -	\$ -	\$ -	(23,742)	\$ -
84.010A	N/A	S010A150030	NCLB - 6026 - 21	-	7/1/20 6/30/21	-	-	9,231	(32,973)	-	-	-	(23,742)	-
Social Education Cluster (IDEA):														
84.027	84.027A	H027A150100	IDEA - 6026 - 22	25,748	7/1/21 6/30/22	-	-	12,136	(25,748)	-	-	-	(13,612)	-
84.173	N/A	H173A150114	IDEA - 6026 - 22	361	9/1/21 8/31/22	-	-	361	(361)	-	-	-	(5,057)	-
84.027	84.027	H027A220100	IDEA-6081-22	6,990	7/1/21 9/30/22	-	-	1,933	(6,990)	-	-	-	(5,057)	-
84.027	84.027	H027A220100	IDEA-6081-22	596	9/1/21 8/31/22	-	-	596	(596)	-	-	-	(18,669)	-
Total Special Education Cluster (IDEA)														
Other Special Revenue Funds:														
84.425	84.425	S425D210027	N/A	56,375	9/1/21 8/31/22	-	-	56,375	(56,375)	-	-	-	(5,790)	-
84.425	84.425	S425D210027	N/A	25,000	9/1/21 8/31/22	-	-	19,210	(25,000)	-	-	-	(5,790)	-
84.425	84.425	S425D210027	N/A	40,500	9/1/21 8/31/22	-	-	40,500	(40,500)	-	-	-	(5,790)	-
Total Other Special Revenue Funds														
Total U.S. Department of Education														
140,342														
(188,543)														
(48,201)														
Total Special Revenue Fund														
140,342														
(188,543)														
(48,201)														
U.S. Department of Agriculture														
Passed-through State Department of Agriculture														
Enterprise Fund:														
10.550	N/A	211NJ394N1099	N/A	-	7/1/21 6/30/22	-	-	-	-	-	-	-	-	-
10.550	N/A	201NJ394N1099	N/A	-	7/1/20 6/30/21	-	-	-	-	-	-	-	-	-
Child Nutrition Cluster														
10.555	COVID-19	211NJ394N1099	N/A	14,511	7/1/21 6/30/22	(347)	(347)	14,014	(14,511)	-	-	-	(497)	-
10.555	COVID-19	201NJ394N1099	N/A	7,690	7/1/20 6/30/21	(347)	(347)	347	(14,511)	-	-	-	(497)	-
Total Child Nutrition Cluster														
14,361														
(14,511)														
Total Enterprise Fund														
14,361														
(14,511)														
Sub-Total Federal Financial Awards														
154,703														
(203,054)														
(48,351)														

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

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021			Balance at June 30, 2022			MEMO				
			From	To	Unearned Accounts Receivable	Due to Grantor	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Reversals of Prior Year's Balance		(Accounts Receivable)	Unearned Interfund Payable	Due to Grantor	Budgetary Receivable
State Department of Education															
General Fund:															
State Aid-Public															
Equalization Aid	22-495-034-5120-078	653,219	7/1/21	6/30/22											
Equalization Aid	21-495-034-5120-078	630,581	7/1/20	6/30/21	(32,671)	7,152									
Special Education Aid	22-495-034-5120-089	20,274	7/1/21	6/30/22											
Security Aid	22-495-034-5120-084	19,797	7/1/21	6/30/22	(32,671)	7,152									
State Aid-Public Total		1,323,871													
On Behalf TPAF Long-Term Disability Insurance Contributions	22-495-034-5094-004	167	7/1/21	6/30/22											
On Behalf TPAF Post-Retirement Medical Contributions	22-495-034-5095-001	72,983	7/1/21	6/30/22											
On Behalf TPAF Pension Contributions	22-495-034-5095-006	312,372	7/1/21	6/30/22											
Reimbursed TPAF - Social Security	22-495-034-5095-002	64,219	7/1/21	6/30/22											
Total General Fund					(32,671)	7,152		1,023,177	(1,143,031)			(10,786)	145,373	1,143,031	
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	22-100-010-3350-023	4,162	7/1/21	6/30/22											
National School Lunch Program (State Share)	21-100-010-3350-023	-	7/1/20	6/30/21											
Total Enterprise Fund								4,115	(4,162)				47	4,162	
Total State Financial Assistance								1,027,292	(1,147,193)				145,420	1,147,193	
State Financial Assistance Not to Subject to Major Program Determination:															
General Fund (Non-Cash Assistance)															
On Behalf TPAF Long-Term Disability Insurance Contributions	22-495-034-5094-004	167	7/1/21	6/30/22											
On Behalf TPAF Post-Retirement Medical Contributions	22-495-034-5095-001	72,983	7/1/21	6/30/22											
On Behalf TPAF Pension Contributions	22-495-034-5095-006	312,372	7/1/21	6/30/22											
Total On-Behalf TPAF Payments								(385,522)	385,522					385,522	
Total State Financial Assistance Subject to Major Program Determination					(32,671)	7,152		644,770	(761,671)				145,420	1,532,715	

Riverbank Charter School of Excellence
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
June 30, 2022

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Trustees, Riverbank Charter School of Excellence. The Board of Trustees is defined in Note 1 to the board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 CFR 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the New Jersey OMB Circular 15-08, "*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*". Therefore, some amounts presented in this schedule 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 when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-44.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is none for the general fund and none for the special revenue fund. See Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented below:

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
June 30, 2022

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,143,031	\$ 1,143,031
Special Revenue Fund	188,543	-	188,543
Food Service Fund	14,511	4,162	18,673
Total Awards & Financial Assistance	<u>\$ 203,054</u>	<u>\$ 1,147,193</u>	<u>\$ 1,350,247</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. FEDERAL AND STATE LOANS OUTSTANDING

Riverbank Charter School of Excellence has no loan balances outstanding at June 30, 2022.

NOTE 6. OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long-Term Disability Insurance represents the amount paid by the state on behalf of the charter school for the year ended June 30, 2022. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

NOTE 7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions payments 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 Charter School's basic financial statements and the amount subject to State single audit and major program determination.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
June 30, 2022

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The Charter School does not have a schoolwide program.

NOTE 9. MAJOR PROGRAMS

Major programs are identified in the summary of auditor's results section of the schedule of findings and questioned costs.

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued on financial statements		<u>Unmodified</u>
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ Yes <u> X </u> No	
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None Reported	
Noncompliance material to basic financial statements noted?	_____ Yes <u> X </u> No	

Federal Awards

N/A

State Awards

Dollar threshold used to distinguish between Type A and Type B programs:		\$750,000
Auditee qualified as low-risk auditee?	<u> X </u> Yes _____ No	
Internal control over major programs:		
1) Material weakness(es) identified?	_____ Yes <u> X </u> No	
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None Reported	
Type of auditors’ report issued on compliance for major programs		<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with NJ Circular Letter 15-08-OMB, as applicable?	_____ Yes <u> X </u> No	

Identification of major state programs:

GMIS Number(s)	Name of State Program
	STATE AID-PUBLIC:
<u>22-495-034-5120-078</u>	<u>EQUALIZATION AID</u>
<u>22-495-034-5120-089</u>	<u>SPECIAL EDUCATION CATEGORICAL AID</u>
<u>22-495-034-5120-084</u>	<u>SECURITY AID</u>

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section II – Schedule of Financial Statement Findings

The section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

No Current Year Findings

***Section III – Federal Awards and State Financial Assistance
Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, material matters of noncompliance, including questioned costs, and significant instances of abuse 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.

CURRENT YEAR FEDERAL AWARDS

Not Applicable

CURRENT YEAR STATE AWARDS

No Current Year Findings

RIVERBANK CHARTER SCHOOL OF EXCELLENCE
Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared By
Management
For the Fiscal Year Ended June 30, 2022

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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

Findings

There were no prior year findings reported