



ECO Charter School
ENVIRONMENT · COMMUNITY · OPPORTUNITY

***Environment Community
Opportunity Charter School***
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

PREPARED BY

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL

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ECO Charter School
ENVIRONMENT · COMMUNITY · OPPORTUNITY

C/O Scott J. Loeffler, CPA, (Dissolution Trustee)
12 Merry Lane, East Hanover, New Jersey 07936
Tel: (973) 585 4989 Fax: (973) 240 7318

January 31, 2023

The Commissioner
New Jersey Department of Education
Riverview Executive Plaza – Bldg. 100
P. O. Box 500
Trenton, New Jersey 08625-0500

Dear Commissioner:

We hereby submit the Annual Comprehensive Financial Report (ACFR) of Environment Community Opportunity Charter School (the “Charter School” or “ECO Charter”) for the fiscal year ended June 30, 2022.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Charter School. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and are reported in a manner designed to fairly present the financial position and result of operations of the various funds of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School’s financial activities have been included.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Environment Community Opportunity Charter School’s MD&A can be found immediately following the Independent Auditor’s Report.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Charter School’s organizational chart and a list of principal officials. The financial section includes the independent auditor’s report, management’s discussion and analysis (MD&S) and the basic financial statements including the Charter School-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements and required supplemental information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

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

Information related to this single audit, including the auditor's report on internal control and compliance with applicable *laws and regulations* and findings and recommendations are included in the single audit section of this report.

1) Reporting Entity and Its Services

Environment Community Opportunity Charter School is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by National Council on Governmental Accounting (NCGA) Statement No. 3. All funds and account groups of the Charter School are included in this report.

The overarching mission of the Charter School was to inspire and empower its students, families and staff with opportunities to successfully shape and transform their lives by becoming successful, lifelong learners who possess the critical-thinking, academic, advocacy, and leadership skills required to continuously open new doors in their lives and the lives of others.

The Charter School was open to all Camden students on a space available basis and did not discriminate in its admission policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a handicapped person, proficiency in the English language, or any other basis that would be illegal if used by a charter school.

It should be noted that the Charter School voluntarily surrendered its charter effective June 30, 2022. The surrender of charter was accepted by the Commissioner of Education. The Charter School ceased operations as of the same date – June 30, 2022.

The School provided a full range of educational services appropriate for students in Kindergarten through grade eighth. These services included general education, special education for students with disabilities, as well as basic skills instruction for students in need of intervention. The School completed the 2021-2022 fiscal year with an enrollment of 169 students. The following details the changes in the student enrollment of the District over the last ten years:

1) **Reporting Entity and Its Services** - *continued*

<u>Fiscal Year</u>	<u>Average Student Daily Enrollment</u>	<u>Percentage Change</u>
2021-2022	169	-15.08%
2020-2021	199	0.51%
2019-2020	198	7.03%
2018-2019	185	19.35%
2017-2018	155	8.39%
2016-2017	143	-20.99%
2015-2016	181	-15.02%
2014-2015	213	-2.74%
2013-2014	219	4.78%
2012-2013	209	-8.70%

2) **Economic Condition of the City of Camden**

The Charter School is located in the City of Camden in the County of Camden, within the State of New Jersey. Camden’s population stands at 71,791 (2010 census) and is 39% African American; 53% Hispanic/Latino; 4% White and 4% other races.

The Camden waterfront holds three tourist attractions: the [USS New Jersey](#), the [Freedom Mortgage Pavilion](#), and the [Adventure Aquarium](#). The city is the home of [Rutgers University–Camden](#), which was founded as the South Jersey Law School in 1926 and [Cooper Medical School of Rowan University](#), which opened in 2012. Camden also houses both [Cooper University Hospital](#) and [Virtua Our Lady of Lourdes Medical Center](#). [Camden County College](#) and [Rowan University](#) also have campuses in downtown Camden. The "[eds](#) and [meds](#)" institutions account for roughly 45% of Camden's total employment.

Camden had once been known for its high crime rate, though there has been a substantial decrease in crime in recent decades, especially since 2012, when the city [disbanded its municipal police department](#) and replaced it with [a county-level police department](#).

2) **Economic Condition of the City of Camden** - *continued*

Camden's public schools are operated by the [Camden City School District](#). The district is one of 31 former [Abbott districts](#) statewide that were established pursuant to the decision by the [New Jersey Supreme Court](#) in *Abbott v. Burke* which are now referred to as "SDA Districts" based on the requirement for the state to cover all costs for school building and renovation projects in these districts under the supervision of the [New Jersey Schools Development Authority](#). As of the 2020–21 school year, the district, comprised of 19 schools, had an enrollment of 7,553 students and 668 classroom teachers (on an [FTE](#) basis), for a [student–teacher ratio](#) of 11.3:1.

In 2021-2022 the City of Camden continued to experience financial hardships common to urban municipalities in New Jersey including high unemployment, violence and high rates of poverty. However, the new national park holds great promise to serve as a catalyst for significant economic development and tourism, enabling Camden to dramatically improve both its financial condition and the opportunities it is able to offer its residents and visitors alike.

3) **Major Initiatives**

There are no major initiatives for the Charter School.

It should be noted that the Charter School voluntarily surrendered its charter effective June 30, 2022. The surrender of charter was accepted by the Commissioner of Education. The Charter School ceased operations as of the same date – June 30, 2022.

4) Internal Accounting Controls

Management of the Charter School is responsible for establishing and maintaining internal control designed to ensure 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). The system of internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the Charter School also is responsible for ensuring that adequate system of internal controls is in place to ensure compliance with applicable laws and regulations related to those programs. This system of 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 the system of internal controls, including that portion related to federal awards 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 the statutory requirements of charter school budgets. Annual appropriated budgets are adopted for general and special revenue funds. The final budget amount, as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either canceled or are included as re-appropriations of fund balance in the subsequent year.

During the 2021-2022 fiscal school, the Charter School continued its efforts to improve its audit status and operational processes and procedures, correcting deficiencies identified in previous audits and reviews and on maintaining general compliance with sound fiscal practices.

6) Accounting System and Report

The Charter School's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the Governmental Accounting Standards Board (GASB). The accounting records also reflect New Jersey State Statute (N.J.S.A 18:4-14) that requires a uniform system of double-entry bookkeeping consistent with the GAAP established by GASB for us in all school districts and charter school. The accounting system is organized on the basis of funds in accordance with the Uniform Charter of Accounts (Handbook 2R2) for New Jersey Public Schools. These funds are explained in "Notes to the Financial Statements", Note 1.

7) **Financial Statement Information at Fiscal Year-End**

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 schedule presents a summary of the General Fund and Special Revenue Fund for the fiscal year ended June 30, 2022 fiscal year:

Summary of the General Fund and Special Revenue Fund

Revenue	2022	2021	Increase/ (decrease)	% Change
Local sources	\$ 409,235	\$ 493,376	\$ (84,141)	-17.05%
State sources	3,924,419	3,772,453	151,966	4.03%
Federal sources	485,939	554,147	(68,208)	-12.31%
	<u>\$ 4,819,593</u>	<u>\$ 4,819,976</u>	<u>\$ (383)</u>	<u>-0.01%</u>

The Charter School experienced a breakeven in revenue.

The following schedule presents a summary of General Fund and Special Revenue Fund expenditures for the fiscal year ended June 30, 2022:

Summary of the General Fund, Special Revenue Fund,

Expenditures	2022	2021	Increase/ (decrease)	% Change
Instruction	\$ 1,754,808	\$ 1,858,899	\$ (104,091)	-5.60%
Administrative	1,798,523	1,856,738	(58,215)	-3.14%
Support	2,025,390	1,011,583	1,013,807	100.22%
Capital outlay	-	8,704	(8,704)	100.00%
	<u>\$ 5,578,721</u>	<u>\$ 4,735,924</u>	<u>\$ 842,797</u>	<u>17.80%</u>

The Charter School's expenditures increased by about 17.80% over last year's – a significant increase due to COVID-19 related spending.

8) Cash Management

The investment policy of the Charter School is guided in large part by state statute as detailed in “Notes to the Financial Statements”. The Charter School has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) Risk Management

The Board carries various forms of insurance, including but not limited to general liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds and worker’s compensation.

10) Other Information

Independent Audit

State statute requires an annual audit by independent Certified Public Accountants or registered Municipal Accountants. The Charter School appointed the accounting firm of Olugbenga Olabintan, CPA. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 “*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*”.

The auditor’s report on the basic financial statements is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

The 2021-2022 school-year was very challenging due to the COVID-19 pandemic.

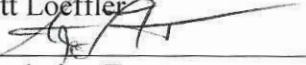
It should be noted that the Charter School voluntarily surrendered its charter effective June 30, 2022. The surrender of charter was accepted by the Commissioner of Education. The Charter School ceased operations as of the same date – June 30, 2022.

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11) Acknowledgments












We recognize and appreciate all of the factors that led to the voluntary surrender of the Charter School's charter. I take this opportunity to wish everybody the very best in the future.

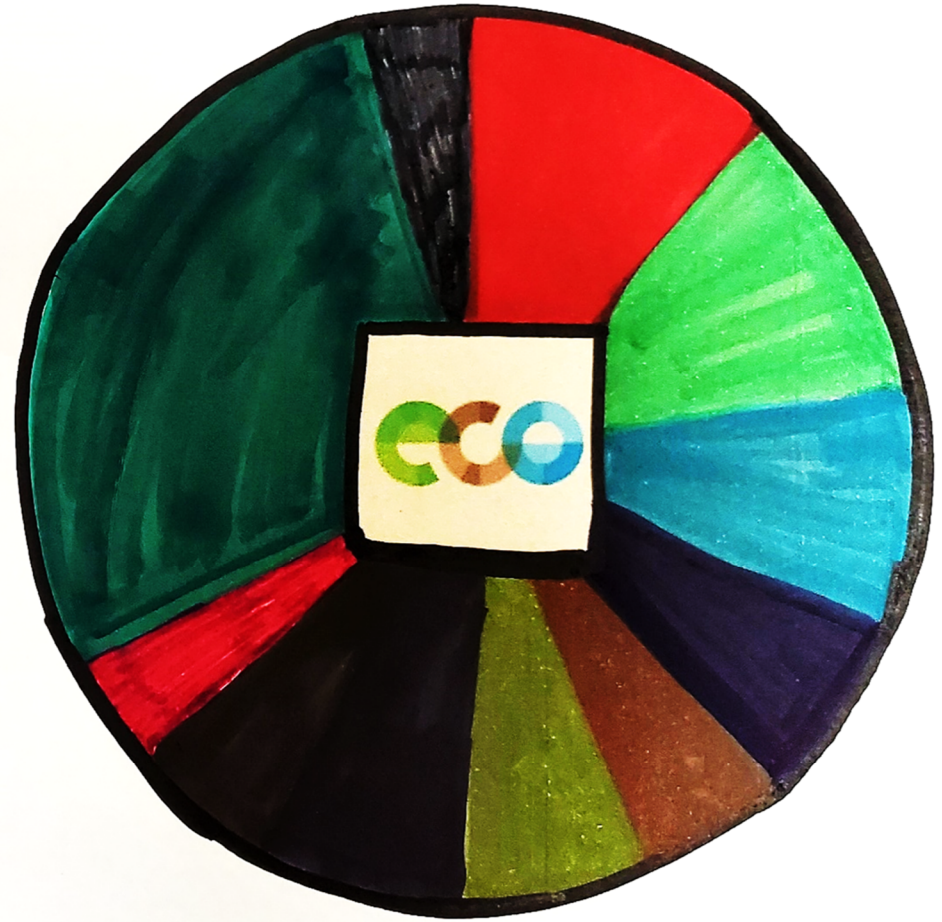
Respectively submitted
Scott Loeffler



Dissolution Trustee

2020-2021 Organizational Chart

-  DEPARTMENT OF EDUCATION
-  BOARD OF TRUSTEES, STUDENTS, & FAMILIES
-  LEAD PERSON
-  BUSINESS ADMINISTRATOR
-  PRINCIPAL
-  DIRECTOR OF OPERATIONS
-  SCHOOL PSYCHOLOGIST,
SPEECH THERAPIST,
CHILD STUDY TEAM, & SCHOOL NURSE
-  OFFICE MANAGER
-  MEAL SPECIALIST
-  TEACHERS
-  CUSTODIAL & GROUNDS CREW



ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL

Roster of Trustees and Officers

June 30, 2022

Members of Board of Trustees

Officers:

Roger Lai, Esq.	Chairperson
Kelly Wenzel	Vice Chairperson
Jennifer Bailey (Ex-Officio)	Secretary
Jeffrey Berk (Ex-Officio)	Treasurer

Board Members:

Stan Baker

Carl Boyd

Kelly Wenzel

Tiffany Ballard-Blair (Ex-Officio)

Dr. Antoinette Dendtler (Ex-Officio)

Staff:

Dr. Antoinette Dendtler	Founder and Head of School / Lead Person
Jennifer Bailey	School Business Administrator
Tiffany Ballard-Blair	Faculty Member

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL

Consultants and Advisor

Independent Auditors

Olugbenga Olabintan
Certified Public Accountant/Consultant
137 Camden Street
Newark, NJ 07103

Attorneys At Law

Perry Lattiboudere
Adams, Gutierrez, & Lattiboudere LLC
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Newark, NJ 07102

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75 Midland Avenue Suite 1
Montclair, NJ 07042

Dissolution Trustee

Scott J. Loeffler, CPA
Dissolution Trustee
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East Hanover, New Jersey 07936
(973) 296-7829
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Official Depository

Republic Bank
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Philadelphia, PA 19192

Financial Section

Olugbenga Olabintan

Certified Public Accountant/Consultant

137 Camden Street, Suite #3
Newark, NJ 07103

Tel: (201) 230-7518
Fax: (973) 368-8268
E-mail: oolabintan@aol.com

Independent Auditors' Report

The Honorable President and
Members of the Board of Trustees
Environment Community Opportunity Charter School
Camden, New Jersey
County of Camden

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Environment Community Opportunity Charter School, in the County of Camden, State of New Jersey (the "Charter School") 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.

Basis for Disclaimer of Opinion

New Jersey Administrative Code, Title 6A Chapter 6A:23A-15 establishes that charter schools are required to conduct enrollment counts on October 15 and the last day of school year. The annual auditors are required to conduct an audit of the two enrollment counts.

As part of our audit we were required to conduct an audit of the two enrollment counts – October 15, 2021 and the last day of the school year in June 2022. The enrollment counts audit also included a review of the food program eligibility form for each student. All of the food program eligibility forms were not available for our audit. Further, special education folders for the special education students were not available for our audit. It is pertinent to note that the school's charter was voluntarily surrendered and it ceased operation as of June 30, 2022. This led to the return of all enrollment related documents to the respective resident districts of all students prior to June 30, 2022. Therefore, the documents were not available for the audit which was scheduled after June 30, 2022.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Revocation of Charter - Substantial Doubt about the Organization's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared on the basis that the Charter School ceased operations effective June 30, 2022, and will no longer continue as a going concern. Pursuant to State of New Jersey Statutes (N.J.S.A.18A:36A-17 and N.J.A.C 6A:11-2.3(b)) the Charter School voluntarily surrendered its charter and the surrender was accepted by the New Jersey Commissioner of Education effective June 30, 2022. As a consequence of the charter surrender, the charter school was directed to cease operations as of June 30, 2022.

Emphasis of Matter

During the fiscal year ended June 30, 2022, the Charter School adopted Governmental Accounting Standards Board (GASB) Statement No 87, *Leases*, which modifies the accounting treatment of leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter School'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 opinion. 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 generally accepted auditing standards (GAAS), *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 the Charter School, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter School, Inc.'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits information be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Charter School 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 and individual nonmajor fund financial statements, schedules 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 section, financial schedules and statistical section 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 financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2023 on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Charter School's internal control over financial reporting and compliance.

Olugbenga Olabintan, CPA

January 31, 2023
Newark, New Jersey

OLUGBENGA OLABINTAN
Certified Public Accountant/Consultant



Olugbenga Olabintan, CPA
Licensed Public School Accountant
No. 20CS00230200

Required Supplementary Information

Part I

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) provides an analysis of the Charter School's overall financial position and results of operations.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2022
(Unaudited)

Introduction

This section of Environment Community Opportunity Charter School's annual financial report presents our discussion and analysis of the Charter School's financial performance and provides an overview of the Charter School's financial activities for the fiscal year ended June 30, 2022. It should be read in conjunction with the transmittal letter at the front of this report and the Charter School's financial statements, which follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statement – and Management's Discussion and Analysis- for State and Local Governments*. Certain comparative information between the current fiscal year and the prior fiscal year is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for fiscal year 2022 are as follows:

- It is pertinent to note that the Charter School voluntarily surrendered its charter effective June 30, 2022. The surrender of charter was accepted by the New Jersey Commissioner of Education. As a consequence of the charter surrender, the charter school ceased operations as of June 30, 2022.
- Net position of governmental activities ended the fiscal year with \$2,435,897. Net position of business-type activities, which represent food service operations ended the fiscal year with \$30,088.
- General revenues accounted for \$4,333,654 in revenue or 87 percent of total revenues of \$4,981,392. Program specific revenues, in the form of charges for services, grants, and contributions accounted for \$647,738 or 13 percent of total revenues.
- The Charter School had \$5,520,307 in expenses related to governmental activities; \$485,939 of these expenses is offset by operating grants and contributions. General revenues (primarily State aid) of \$4,333,654 helped to provide for the balance of these programs.
- The General Fund reported fund surplus at June 30, 2022 of \$3,018,317.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2022
(Unaudited)

Using the Basic Financial Statements

This annual report consists of a series of basic financial statements, required supplementary information, other supplementary information and notes to those statements and information.

The report is organized so the reader can understand Environment Community Opportunity Charter School as a financial whole, or as an entire operating entity. The first two basic financial Statements, the Statement of Net Position and the Statement of Activities, are governmental-wide financial statements and provide overall information about the activities of the entire Charter School, presenting both an aggregate view of the Charter School's finances and a long-term view of those finances. The remaining basic financial statements are fund financial statements that focus on the individual parts of the government, reporting the Charter School's operation in more detail than the government-wide statements. The fund financial statements also look at the Charter School's most significant funds with all other non-major funds presented in total in a single column. For Environment Community Opportunity Charter School, the General Fund is the most significant fund.

The governmental funds statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short and long-term financial information about the activities, the government operates like a business, such as food service.

Fiduciary fund statements provide information about financial relationship in which the Charter School acts solely as a trustee or agent for the benefits of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of Required Supplementary Information that further explains and supports the information in the financial statements.

Reporting the Charter School as a Whole

Statement of Net Position and Statements of Activities

While this report contains the fund 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 asks the question, "how did we do financially during fiscal year 2022?" The statements of Net Position and the Statement of Activities answer this question. These Statements include all the Charter School's assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2022
(Unaudited)

Statement of Net Position and Statement of Activities-continued

These two statements report the Charter School's net position and changes in those assets. This change in net position is important because it identifies whether the financial position of the Charter School has improved or diminished for the Charter School as a whole. The cause of this change may be the result of many factors some financial, some not. Non-financial factors include the property tax base of the School District where the Charter School is located, current educational funding laws in New Jersey, facilities conditions, required educational programs, and other factors. In the Statements of Net Position and the Statements of Activities, the Charter School is divided into two distinct kinds of activities:

Governmental Activities – Most of the Charter School's programs and services are reported here including instructions, extracurricular activities, curriculum, staff development, special education and other support services, operation and maintenance of plant, pupil transportation, health services and general administration.

Business-Type Activity – Services are provided on a charge for goods or services or reimbursement basis to recover the expenses of the goods or services provided. The food service operations/after care programs 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 major funds-not the Charter School as a whole. Funds are accounting devices that the Charter School uses to keep track of a multitude of financial transactions. The Charter School's only major governmental fund is the General Fund.

Governmental Funds

Most of the Charter School's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. 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 statement provides a detailed short-term view of the Charter School's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less 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 the governmental funds are reconciled in the financial statements.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2022
(Unaudited)

Enterprise Fund

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

The Charter School as a Whole

The perspective of the Statement of Net Position is of the Charter School as a whole. Net position may serve over time as useful indicator of a government's financial position. In the case of the Charter School, assets exceeded liabilities by \$2,465,985 at the close of 2022. The following table provides a summary of net position relating to the Charter School's governmental and business type activities:

	Governmental Activities		Business Type Acvtivities		Total	
	2022	2021	2022	2021	2022	2021
Assets and deferred outflows of resources						
Current assets	\$ 3,114,647	\$ 3,821,103	\$ 122,032	\$ -	\$ 3,236,679	\$ 3,821,103
Capital assets, net	306,456	338,656	-	-	306,456	338,656
Deferred outflows of resources	336,767	425,080	-	-	336,767	425,080
Total assets and deferred outflows of resources	<u>3,757,870</u>	<u>4,584,839</u>	<u>122,032</u>	<u>-</u>	<u>3,879,902</u>	<u>4,584,839</u>
Liabilities and deferred outflows of resources:						
Current liabilities	99,330	115,215	91,944	-	191,274	115,215
Long term liabilities	736,346	887,333	-	-	736,346	887,333
Deferred outflows of resources	486,297	445,680	-	-	486,297	445,680
Total liabilities and deferred inflows of resources	<u>1,321,973</u>	<u>1,448,228</u>	<u>91,944</u>	<u>-</u>	<u>1,413,917</u>	<u>1,448,228</u>
Net position						
Invested in						
Capital assets (net of related debt)	306,456	338,656	-	-	306,456	338,656
Restricted	75,000	75,000	-	-	75,000	75,000
Other purposes	-	37,506	-	-	-	37,506
Unrestricted	2,054,441	2,685,449	30,088	-	2,084,529	2,685,449
Total net position	<u>\$ 2,435,897</u>	<u>\$ 3,136,611</u>	<u>\$ 30,088</u>	<u>\$ -</u>	<u>\$ 2,465,985</u>	<u>\$ 3,136,611</u>

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2022
(Unaudited)

The largest portion of the Charter School's net position is its current assets. The Charter School uses these current assets to provide services.

The total net position of the Charter School decreased by \$670,626 during the current fiscal year ended June 30, 2022. The majority of the decrease is attributable to a deficit of \$700,714 in the Governmental Activities.

The table that follows reflects the change in net position for fiscal year 2022.

	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charge for services	\$0	\$0	\$0	\$0	\$0	\$0
Operating grants and contributions	485,939	1,377,654	161,799	62,875	647,738	1,440,529
Total program revenues	485,939	1,377,654	161,799	62,875	647,738	1,440,529
General revenues:						
Local aid	389,272	919,815	-	-	389,272	919,815
Federal and state aid	3,924,419	2,750,853	-	-	3,924,419	2,750,853
Miscellaneous	19,963	52,091	-	-	19,963	52,091
Transfers	-	(74,987)	-	74,987	-	-
Total general revenues	4,333,654	3,647,772	-	74,987	4,333,654	3,722,759
Total revenues	4,819,593	5,025,426	161,799	137,862	4,981,392	5,163,288
Expenses:						
Instructions	1,754,808	1,858,899	-	-	1,754,808	1,858,899
Administrative & support services	3,733,299	3,164,527	-	-	3,733,299	3,164,527
Unallocated depreciation/ capital outlay	32,200	32,200	-	-	32,200	32,200
Food service	-	-	131,711	137,862	131,711	137,862
After school programs	-	-	-	-	-	-
Total expenses	5,520,307	5,055,626	131,711	137,862	5,652,018	5,193,488
Change in net position	\$ (700,714)	\$ (30,200)	\$ 30,088	\$ -	\$ (670,626)	\$ (30,200)

Governmental Activities

The Statement of Activities reflects the cost of program services and the charges for services and operating grants and contributions offsetting those services. The table below, for government activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by unrestricted state entitlements for the fiscal year ended June 30, 2022.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2022
(Unaudited)

Governmental Activities - *continued*

	Total Cost of Services	Net Cost of Services
Instruction	\$ 1,754,808	\$ 1,621,754
Administrative & support services	3,733,299	3,380,414
Unallocated depreciation	32,200	32,200
Total Expenses	\$ 5,520,307	\$ 5,034,368

Business-Type Activity

The business-type activity of the Charter School consists of the food service operation and the Summer Enrichment/After-School programs. These programs had revenues of \$161,799 (including a board contribution of \$-0-) and operating expenses of \$131,711 for fiscal year 2022.

The Charter School's Funds

The Charter School's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues of \$4,819,593 and expenditures of \$5,578,721. The negative change in fund balance for the year was \$759,128. The cumulative surplus fund balance from the prior years was \$3,777,445.

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.

During the course of fiscal 2022, the Charter School amended its General Fund budget as needed. The Charter School uses state-aid and other revenue-based budget. The budgeting systems are designed to tightly control total budget, but provide flexibility for Charter School's management teams.

For the General Fund, final budgeted revenues were \$3,718,303, which included a local tax levy of \$389,272. Expenditures and other financing uses were budgeted at \$4,627,590. The Charter School anticipated budgeted fund balance of \$2,868,158 in its 2021-2022 budget year.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2022
(Unaudited)

The State of New Jersey reimbursed the Charter School \$114,437 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members. Also, the State paid \$541,402 into the TPAF pension representing on-behalf employer's portion of the TPAF Pension System Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long Term Disability Insurance Premium Contributions for the Charter School. The unbudgeted amounts were included in both revenues and expenditures.

Capital Assets

At the end of fiscal year 2022, the Charter School had \$306,456 invested in capital assets in its governmental activities.

Long-term debt

The Charter School had \$739,346 at June 30, 2022 in net pension liability regarding the Public Employees Retirement System. More detailed information about the Charter School's long term obligations is presented in the notes to the financial statements.

Surrender of Charter/Dissolution Plan

By its Board Resolution dated June 6, 2022 the Charter School surrendered its charter effective June 30, 2022. The surrender was accepted by the New Jersey Commissioner of Education and the Charter School ceased operations effective June 30, 2022.

As a consequence of the voluntary charter surrender, the charter school ceased operations. In June 2022, the board of Trustees approved a Dissolution Plan as prescribed by the New Jersey Department of Education. The terms of the Plan call for the complete cessation of all academic activities and the disposition of all capital assets owned by the Charter School including the remaining unexpired term of equipment leases.

In addition, an independent trustee, Scott J. Loeffler, CPA was appointed by the Board to oversee the dissolution including but not limited to, the collection of amounts due the Charter School, payment of outstanding liabilities and expenses owed by the Charter School, assistance with the final audit of the fiscal year ended June 30, 2022 and to issue a report to the Charter School's post June 30, 2022 dissolution activities.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2022
(Unaudited)

The financial statements reflect all known adjustments to reflect the cessation of operations effective June 30, 2022. There may be adjustments that could result from the actual outcome of the dissolution that could affect the reported amounts of assets, liabilities, revenue and expenses.

Furniture, Equipment and Textbooks

According to the Dissolution Plan, an inventory of all useable furniture, equipment and textbooks was taken and valued. The Dissolution Trustee sold the furniture, equipment and textbooks which generated some revenue the entire amount of which was collected after June 30, 2022.

Contacting the Charter School's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to reflect the Charter School's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to:

Dissolution Trustee

Scott J. Loeffler, CPA
Dissolution Trustee
P. O. Box 553
East Hanover, New Jersey 07936
(973) 296-7829
E-Mail: sloef@aol.com

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the Charter School's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the Year Ended June 30, 2022.

Statement of Net Position

June 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 2,703,070	\$ 110,140	\$ 2,813,210
Restricted cash - escrow	76,616		76,616
Accounts receivable	334,961	11,892	346,853
Interfund receivables	-	-	-
Capital assets (net of accumulated depreciation of \$191,579)	306,456	-	306,456
Right-to-use lease asset, (net of accumulated amortization of \$-0-)	-	-	-
Total assets	<u>3,421,103</u>	<u>122,032</u>	<u>3,543,135</u>
Deferred outflows of resources			
Pension deferred outflows	<u>336,767</u>	<u>-</u>	<u>336,767</u>
Total assets and deferred outflows of resources	<u>\$ 3,757,870</u>	<u>\$ 122,032</u>	<u>\$ 3,879,902</u>
Liabilities			
Accounts payable	\$ 89,401	\$ 9,430	\$ 98,831
Intergovernmental payables - state and federal	9,681	-	9,681
Deferred revenue	1,203	-	1,203
Interfunds payables	(82,514)	82,514	-
Payroll deductions and withholdings	78,559	-	78,559
Net pension liability	739,346	-	739,346
Lease liabilities	-	-	-
Total liabilities	<u>835,676</u>	<u>91,944</u>	<u>927,620</u>
Deferred inflows of resources			
Pension deferred inflows	<u>486,297</u>	<u>-</u>	<u>486,297</u>
Total liabilities and deferred inflows of resources	<u>1,321,973</u>	<u>91,944</u>	<u>1,413,917</u>
Net position			
Invested in capital assets	306,456	-	306,456
Restricted - escrow account	75,000	-	75,000
Unrestricted, undesignated	2,054,441	30,088	2,084,529
Total net position	<u>2,435,897</u>	<u>30,088</u>	<u>2,465,985</u>
Total liabilities, deferred inflows & net position	<u>\$ 3,757,870</u>	<u>\$ 122,032</u>	<u>\$ 3,879,902</u>

See independent auditor's report and accompanying notes to basic financial statements.

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL

A-2

Statement of Activities

Year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Totals
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	\$ 1,754,808	\$ -	\$ 133,054	\$ (1,621,754)	\$ -	\$ (1,621,754)
Administrative & support services:						
General administration	1,707,909	-	-	(1,707,909)	-	(1,707,909)
Support services	2,025,390	-	352,885	(1,672,505)	-	(1,672,505)
Capital outlay	-	-	-	-	-	-
Unallocated depreciation	32,200	-	-	(32,200)	-	(32,200)
Total governmental activities	<u>5,520,307</u>	<u>-</u>	<u>485,939</u>	<u>(5,034,368)</u>	<u>-</u>	<u>(5,034,368)</u>
Business-type activities:						
Food service	131,711	-	161,799	-	30,088	30,088
Total business-type activities	<u>131,711</u>	<u>-</u>	<u>161,799</u>	<u>-</u>	<u>30,088</u>	<u>30,088</u>
Total primary government	<u>\$ 5,652,018</u>	<u>\$ -</u>	<u>\$ 647,738</u>	<u>(5,034,368)</u>	<u>30,088</u>	<u>(5,004,280)</u>
General revenues, transfers and special items:						
Local sources				389,272	-	389,272
State sources				3,924,419	-	3,924,419
Federal sources				-	-	-
Miscellaneous				19,963	-	19,963
Transfers				-	-	-
Total general revenues, transfers and special items				<u>4,333,654</u>	<u>-</u>	<u>4,333,654</u>
Change in net position				(700,714)	30,088	(670,626)
Net position - beginning of year				3,136,611	-	3,136,611
Net position - ending				<u>\$ 2,435,897</u>	<u>\$ 30,088</u>	<u>\$ 2,465,985</u>

See independent auditor's report and accompanying notes to basic financial statements.

Funds Financial Statements

Governmental Funds

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
Governmental Funds

B-1

Balance Sheet

June 30, 2022

	General Fund	Special Revenue Fund	Totals Governmental Funds
Assets			
Cash and cash equivalents	\$ 2,891,249	\$ (188,179)	\$ 2,703,070
Restricted cash in escrow	76,616		76,616
Accounts receivable:	-	-	-
State	11,270	-	11,270
Federal	-	219,341	219,341
Other	104,350	-	104,350
Interfund receivable	112,106	-	112,106
Total assets	\$ 3,195,591	\$ 31,162	\$ 3,226,753
Liabilities and Fund Balances			
Interfund payables	\$ -	\$ 29,592	\$ 29,592
Accounts payables	89,034	367	89,401
Intergovernmental payables - federal	-	-	-
Intergovernmental payables - state	-	-	-
Intergovernmental payables - other	9,681	-	9,681
Payroll deductions and withholdings	78,559	-	78,559
Deferred revenue	-	1,203	1,203
Total liabilities	177,274	31,162	208,436
Fund balances:			
Undesignated	3,018,317	-	3,018,317
Total fund balances	3,018,317	-	3,018,317
Total liabilities and fund balances	\$ 3,195,591	\$ 31,162	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Cost of capital assets	\$ 498,035	
Accumulated depreciation	(191,579)	
Cost of capital assets, net of accumulated depreciation	\$ 306,456	306,456

Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 7) 336,767

Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 7) (486,297)

Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7) (739,346)

Right-to-use assets used in governmental activities are not financial resources and therefore are not reported in the funds (see Note 4):

Cost of right-to-use assets	\$*****	
Accumulated amortization	-	
Cost of right-to-use assets, net of accumulated amortization	\$*****	*****

Lease liabilities used in governmental activities are not financial resources and therefore are not reported in the funds (see Note 5). *****

Net position of governmental activities - A-1 **\$ 2,435,897**

***** Note:

The Charter School adopted GASB 87 for Leases during the year ended June 30, 2022. However, the Charter School voluntarily surrendered its charter effective June 30, 2022 which was accepted by NJDOE, therefore no information available for reporting for the year ended June 30, 2022.

See independent auditor's report and accompanying notes to basic financial statements.

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
Governmental Funds

B-2

Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2022

	General Fund	Special Revenue Fund	Total
Revenues:			
Local sources:			
Local tax levy	\$ 389,272	\$ -	\$ 389,272
Miscellaneous	19,963	-	19,963
Total revenues - local sources	409,235	-	409,235
Federal sources	-	485,939	485,939
State sources	3,268,580	-	3,268,580
Reimbursed TPAF-Social Security (non-budgeted)	114,437	-	114,437
TPAF pension and post retirement medical and long-term disability premium benefits on-behalf payments (non-budgeted)	541,402	-	541,402
Total revenues	4,333,654	485,939	4,819,593
Current expense:			
Instruction	1,621,754	133,054	1,754,808
Administrative	1,142,684	-	1,142,684
Support services	1,672,505	352,885	2,025,390
Capital outlay	-	-	-
Reimbursed and on-behalf payments:	-	-	-
Reimbursed TPAF-Social Security (non-budgeted)	114,437	-	114,437
TPAF pension and post retirement medical benefits on-behalf payments (non-budgeted)	541,402	-	541,402
Total expenditures	5,092,782	485,939	5,578,721
Excess (deficiency) of revenues over (under) expenditures	(759,128)	-	(759,128)
Other financing sources/(uses):			
Transfer to cover food deficit	-	-	-
Total other financing sources/(uses)	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(759,128)	-	(759,128)
Fund balances, beginning of year	3,777,445	-	3,777,445
Fund balances, beginning of year (restated)	3,777,445	-	3,777,445
Fund balances, end of year	\$ 3,018,317	\$ -	\$ 3,018,317

See independent auditor's report and accompanying notes to basic financial statements.

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
Reconciliation of the Statement of Revenues, Expenditures
And Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year ended June 30, 2022

B-3

Total net change in fund balances - governmental funds (B-2) \$ (759,128)

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expenses in the period. Additionally, in the Statement of Activities gains or (losses) are recognized upon disposition.

	Depreciation expense	\$ (32,200)	
	Capital outlays	<u>-</u>	(32,200)

Adoption of GASB 87 resulted in an increase in right-to-use lease assets offset by the current year amortization of the right-to-use assets, allocated over the term of the leases

Amortization expense *****

Adoption of GASB 87 resulted in an increase in lease liabilities offset by the current year principal payments on lease liabilities. Principal payments on lease liabilities decrease liabilities in the statement of net position, but are included in the governmental funds as expenses

Principal payments *****

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

90,614

Change in net position of governmental activities (A-2) \$ (700,714)

***** Note:

The Charter School adopted GASB 87 for Leases during the year ended June 30, 2022. However, the Charter School voluntarily surrendered its charter effective June 30, 2022 which was accepted by NJDOE, therefore no information available for reporting for the year ended June 30, 2022.

See independent auditor's report and accompanying notes to basic financial statements.

Proprietary Funds

**ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
Proprietary Funds**

B-4

Statement of Net Position

June 30, 2022

Assets

Current assets:

Cash and cash equivalents	\$ 110,140
Accounts receivable:	
Federal	11,713
State	179
Interfund receivable - general fund	-
Total current assets	<u>\$ 122,032</u>

Liabilities

Current liabilities:

Interfund payable - general fund	\$ 82,514
Accounts payable	9,430
Total current liabilities	<u>\$ 91,944</u>

Net position

Unrestricted	30,088
Total net position	<u><u>\$ 30,088</u></u>

See independent auditor's report and accompanying notes to basic financial statements.

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
Proprietary Funds

B-5

Statement of Revenues, Expenditures and Changes in Net Position

Year ended June 30, 2022

Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ -
Daily sales - nonreimbursable programs	-
Miscellaneous revenue	-
Total operating revenues	<u>-</u>
Operating expenses:	
Cost of sales - reimbursable programs	131,711
Cost of sales - nonreimbursable programs	-
Salaries	-
Employee benefits	-
Professional /technical service	-
Other purchased services	-
Supplies and materials	-
Depreciation	-
Miscellaneous	-
Total operating expenses	<u>131,711</u>
Operating income (loss)	<u>(131,711)</u>
Nonoperating revenues:	
State sources:	
State School Lunch Program	3,281
Federal sources:	-
National School Lunch Program	86,612
Healthy, Humger Free Kids Act	-
National School Breakfast Program	48,644
After School Snacks	-
Emergency Operational Cost Reimbursement	23,262
Total nonoperating revenues	<u>161,799</u>
Net income/(loss) before contributions & transfers	30,088
Other financing sources:	
Transfer in/(out) - board contribution	<u>-</u>
	<u>-</u>
Change in net position	30,088
Total net position-beginning of year	<u>-</u>
Total net position-end of year	<u>\$ 30,088</u>

See independent auditor's report and accompanying notes to basic financial statements.

**ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
Proprietary Fund**

B-6

Statement of Cash Flows

Year ended June 30, 2022

Cash flows from operating activities

Operating loss	\$ (131,711)
Adjustment to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	-
Changes in assets and liabilities:	
Accounts receivable	956
Due to/(from) general fund	-
Accounts payable	9,430
Net cash used in operating activities	<u>(121,325)</u>

Cash flows from noncapital financing activities

Cash received from state reimbursements	3,281
Cash received from federal reimbursements	158,518
Operating subsidies and transfers from other funds	-
Net cash provided by noncapital financing activities	<u>161,799</u>

Cash flows from investing activities

Net decrease in cash and cash equivalents	40,474
Cash and cash equivalents, beginning	69,666
Cash and cash equivalents, ending	<u>\$ 110,140</u>

See independent auditor's report and accompanying notes to basic financial statements.

**Fiduciary Funds
Not Applicable**

Notes to Basic Financial Statements

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

1 Description of the Charter School and Reporting Entity

Environment Community Opportunity Charter School (the “Charter School”) was incorporated in the State of New Jersey in 2005 as a non-for-profit corporation for the purpose of operating and maintaining a public school under a charter granted by the State of New Jersey, which promotes comprehensive educational reform by infusing innovation into the public education system. It is an instrumentality of the State of New Jersey, established to function as an education institution. The Charter School’s Board of Trustees (the Board) is responsible for the fiscal control of the Charter School. A Principal/Chief School Administrator is appointed by Board and is responsible for the administrative control of the Charter School. Under the existing the statutes, the Charter School’s duties and powers include, but not limited to the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the Charter School are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Charter School. For the Charter School, this includes general operations, food service and student related activities 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 Charter School. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, and ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the Charter School over which the Board exercises operating control. Based on the aforementioned criteria, the Charter School has no component units to be included in the reporting entity. Further, the Charter School is not includable in any other reporting entity on the basis of such criteria.

Environment Community Opportunity Charter School Board of Trustees also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

Its mission is to establish a character school to serve as a neighborhood resource and as a model for other similar schools. Environment Community Opportunity Charter School is committed to achieving the New Jersey Core Curriculum Content Standards and producing high academic achievement by all students. The Charter School will integrate a holistic curriculum, utilize learner center techniques, family and care giver centered approaches, comprehensive community involvement, cutting edge technology and an intimate nurturing environment that will enhance positive self-images.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

2 Summary of Significant Accounting Policies

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

The financial statements of Environment Community Opportunity Charter School (the "Charter School") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Charter School also applies Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise fund unless they conflict with or contradict GASB pronouncements. The most significant of the Charter School's accounting policies are described below:

A Basis of Presentation

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

Charter School Government-wide Financial 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 Charter School, except for fiduciary funds.

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

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

2 Summary of Significant Accounting Policies - *continued*

The governmental activities generally are financed through federal and state awards, taxes and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the Charter School are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Charter School. The New Jersey Department of Education (NJDOE) requires that all funds be reported as major, as it is considered important for public interest and to promote consistency among Charter Schools financial reporting in the State of New Jersey.

B Fund Accounting

The Charter School segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Charter School at a more detailed level.

Governmental Funds

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

General Fund - The General Fund is the primary operating fund of the Charter School. It is used to account for all financial resources except those that are legally or administratively 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 sub-fund.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

2 Summary of Significant Accounting Policies - *continued*

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of ground, 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, Debt Service or the Enterprise Funds) and local appropriations that 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). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Proprietary Funds

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

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

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

2 Summary of Significant Accounting Policies - *continued*

All proprietary funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenue) and decreases (expenses) in net total assets.

Fiduciary Funds

Fiduciary or trust and Agency Funds are used to account for assets held by the Charter School in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. This fund category includes:

Trust Funds - Expendable Trust Funds (unemployment compensation) are accounted for in essentially the same manner as the governmental funds. The unemployment compensation trust fund is used to account for contributions from employees and the employer (the Charter School) and interest earned on the balance as well as payments to the State for reimbursements of unemployment claims. ***Agency Funds*** – Agency funds (*Payroll, Health Benefits and Student Activity Fund*) are used to account for the assets that the Charter School holds on behalf of others as their agent. Agency funds are custodial in nature and do not involved measurement of results of operations.

GASB Statement No 84 Fiduciary Activities – Commencing from the prior year ended June 30, 2021, there was no Fiduciary Fund due to the adoption of GASB Statement 84, Fiduciary Activities.

C Measurement Focus and Basis of Accounting

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

Measurement Focus

On the government-wide statements of net position and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statement of these funds present increases (i.e., revenues and other financing sources), and decreases (i.e. Expenditures and other finances uses) during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

2 Summary of Significant Accounting Policies - *continued*

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

Basis of Accounting

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

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

D Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue fund. The budgets are submitted to the County Office and the Education Commissioner for approval. Budgets except for the special revenue fund which is prepared using a non-GAAP budgetary basis, are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by Charter School Board resolution at any time during the fiscal year subject to the limitation of P.L. 2004 c73 (S1701). The Board of Trustees did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

2 Summary of Significant Accounting Policies - *continued*

Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental funds 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 recognized encumbrances as expenditures and also recognized the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow of the presentation of GAAP basis financial reports.

E Cash, Cash Equivalent and Investments

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

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

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

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

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

2 Summary of Significant Accounting Policies - *continued*

F Short-Term Interfund Receivables/Payables

On the fund financial statement, receivable and payables resulting from short-term (due within one year) interfund loans are classified as interfund receivables/payables. Interfund balances within governmental activities and within business-type activities are eliminated on the Government Wide Statements of Net Position.

G Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase. Inventories in the proprietary funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method.

H Capital Assets

Capital assets, which include leasehold improvements, equipment, furniture & fixtures and vehicles are reported in the applicable governmental or business-type activities columns of the Government-wide financial statements. Capital assets are defined by the Charter School as assets with initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company.

The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized. Donated capital assets are capitalized at estimated fair market value on the date donated. Depreciation of capital assets is computed and recorded by the straight-line method.

Description of Capital Assets

Estimated Lives (Years)

Furniture, fixtures and equipment

3-15 years

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

2 Summary of Significant Accounting Policies - *continued*

I Compensated Absences

The Charter School accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on specific events that are outside the control of the Charter School and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on specific events that are outside the control of the Charter School and its employees, are accounted for in the period in which such service is rendered or in which such events take place. In governmental and similar trust funds, compensated absences that are expected to be liquidated with the expendable available financial resources are reported as expenditure and fund liability in the fund that will pay for the compensated absences. In proprietary and similar trust funds, compensated absences are required as an expense and liability of the fund that will pay for them.

The Charter School had no compensated absences as of June 30, 2022.

J Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-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. However, the non-current portion of compensated absences and mortgage payable (if any) that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

K Deferred Revenue

Deferred revenue in special revenue fund represent cash that has been received but not yet earned.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

2 Summary of Significant Accounting Policies - *continued*

L Fund Balance and Equity

In February 2009, the GASB issued GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (“GASB 54”). GASB 54 is effective for periods beginning after June 15, 2010 and establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which government is bound to observe constraints imposed upon the use of resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

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

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

M Net Position

Net Position represent the difference between assets and liabilities in the Government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position are reported as restricted in the Government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

2 Summary of Significant Accounting Policies - *continued*

N Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the recorded amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

O On-Behalf Payments

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

P GASB Pronouncements

Adoption of New Accounting Standard

During the prior fiscal year ended June 30, 2021, the Charter School adopted **GASB Statement No. 84, *Fiduciary Activities (GASB 84)***. GASB 84 enhances the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Specifically, GASB 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists.

As part of the adoption, the Charter School no longer considers activities in the Unemployment Fund Account, Payroll Agency Fund and Student Activities as fiduciary activities applicable under GASB 84. As a result, the Charter School no longer presents a Statement of Fiduciary Net Position, and records payroll deductions and withholding payable, unemployment activities in the General Fund in the Governmental Fund financial statements.

Adoption of New Accounting Standard

During the fiscal year ended June 30, 2022, the Charter School adopted and implemented **GASB Statement No. 87, *Leases***. The implementation of the Statement changes the reporting for leases. However, there were no GASB 87 leases information to be reported for the year ended June 30, 2022. This is because of the voluntary surrender of the School's charter and cessation of operations effective June 30, 2022.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

2 **Summary of Significant Accounting Policies - *continued***

Q **Fair Value of Financial Instruments**

The Charter School follows the accounting and disclosure standards pertaining to GASB 72, Fair Value Measurement and Application, for qualifying assets and liabilities. Fair value is defined as the price that the Charter School would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants at the measurement date.

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

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

Level 1 – inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

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

Level 3 – inputs that are unobservable and which require significant judgement or estimation.

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

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

3 Deposits and Investments

New Jersey statutes require that Charter Schools deposit public funds in public depositories located in New Jersey that 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 (NJCMF), the New Jersey Arbitrage Rebate Management Fund (NJARM) and the M.B.I.A Class.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows: The market value of the collateral must equal at least 5% of the average daily balance of collected 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.

The Charter School’s cash and cash equivalents are classified below to inform financial statement users about the extent to which the Charter School’s deposits and investments are exposed to custodial credit risk. As of June 30, 2022, the Charter School’s carrying amount of deposits and investments are as follows:

	General Fund	Special Revenue	Enterprise Funds	Agency Funds	Total
Operating A/C	\$ 2,891,249	\$ (188,179)	\$ 110,140	\$ -	\$ 2,813,210
Restricted	76,616	-	-	-	76,616
Total	\$ 2,967,865	\$ (188,179)	\$ 110,140	\$ -	\$ 2,889,826

Operating cash accounts are held in the Charter School’s name by one banking institution. At June 30, 2022, the Charter School’s carrying amount of deposits was \$2,889,826 and the bank balance was \$3,560,167. Of the bank balance, up to a maximum of \$250,000 of the Charter School’s cash deposits on June 30, 2022 were secured by federal deposit insurance (FDIC) and \$3,310,167 was covered by a collateral pool maintained by the bank as required by New Jersey statutes in accordance with the New Jersey Governmental Unit Deposit Protection Act (“GUDPA”).

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

3 Deposits and Investments - *continued*

Establishment of an Escrow Account

The Charter School has established and funded an Escrow Account pursuant to an agreement signed with the New Jersey Department of Education. The required maximum is \$75,000. The Charter School has fully funded the \$75,000. The agreement stipulates that the intended use of the escrow amount is “to pay for legal and audit expenses and any other outstanding pension benefits that would be associated with a dissolution should it occur.”

GASB Statement No. 40 requires that the Charter School disclose whether its deposits are exposed to custodial risk (risk that in the event of failure of the counterparty, the Charter School would not be able to recover the value of its deposit or investment). In general deposits are considered to be exposed to custodial risk by three categories described below:

Category 1 - Insured or collateralized with securities held by the Charter School or by its agent in the Charter School’s name. **Category 2** - Collateralized with securities held by the pledging public depository’s trust department or agent in the Charter School’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 Charter School’s name.

The Charter School does not have a policy for the management of the custodial risk, other than depositing all of its funds in banks covered by GUDPA.

Investments

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

1. Bonds or other obligations of the United States or obligations guaranteed by the United States.
2. 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.
3. Bonds or other obligations of the Charter School.
4. New Jersey Cash Management Fund, New Jersey Arbitrage Rebate Management Fund and MBIA CLASS.

As of June 30, 2022, the Charter School did not hold any investments.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

4 Capital Assets and Right-to-Use Lease Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2022:

Governmental activities:	Beginning Balance	Net Additions (Deletions)	Ending Balance
Capital assets not depreciated:	\$ -	\$ -	\$ -
Capital assets, being depreciated:			
Furniture and equipment	498,035	-	498,035
	<u>498,035</u>	<u>-</u>	<u>498,035</u>
Less accumulated depreciation			
Furniture and equipment	159,379	32,200	191,579
	<u>159,379</u>	<u>32,200</u>	<u>191,579</u>
Total capital assets net	<u>\$ 338,656</u>	<u>\$ (32,200)</u>	<u>\$ 306,456</u>

Depreciation expense of \$32,200 was charged to an unallocated function.

Right-to-Use Lease Assets

During the year ended June 30, 2022, the Charter School adopted GASB 87 for Leases. However, the School's charter was surrendered by the Board of the Charter School effective June 30, 2022. As a result, the Charter School's leases did not meet the requirement of GASB 87 for the year ended June 30, 2022, therefore no information is available for reporting for the year then ended.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

5 Lease Obligations

Facilities Lease

At June 30, 2022, the Charter School had operating lease agreements in effect for school facilities.

808 Market Street, Camden, New Jersey

The lease was for the first floor of the three-story building located at 808 Market Street, Camden, New Jersey. It was a five year lease which commenced on July 1, 2019 terminating on June 30, 2024. The amount due under the lease agreement for the fiscal year ended June 30, 2022 was \$206,480. As of June 30, 2022, the date of the charter surrender and cessation of operations, the lease still had two years left on its term. The Dissolution Trustee and the Charter School's attorneys thereby negotiated a mutually agreeable settlement in the total amount of \$161,902 – approximate savings of \$260,737 compared to the \$422,639 due for the last two years of the lease term. The total rental amount paid for the fiscal year ended June 30, 2022 was \$368,382 – consisting of the regular rent of \$206,480 and the dissolution settlement of \$161,884

817 Carpenter Street, Camden, New Jersey

The lease was for the first floor of the building located at 817 Carpenter Street, Camden, New Jersey. It was a five year lease which commenced on September 1, 2019 terminating on August 31, 2024. The amount due under the lease agreement for the fiscal year ended June 30, 2022 was \$194,902. As of June 30, 2022, the date of the charter surrender and cessation of operations, the lease still had two years left to expiration. The Dissolution Trustee and the Charter School's attorneys thereby negotiated a mutually agreeable settlement in the total amount of \$146,233 – approximate savings of \$255,343 compared to the \$401,576 due for the last two years of the lease term. The total rental amount paid for the fiscal year ended June 30, 2022 was \$336,689 – consisting of the regular rent of \$190,456 and the dissolution settlement of \$146,233.

Equipment Leases

The Charter School leased office equipment (copiers) under several operating lease agreements. For the year ended June 30, 2022, the Charter School incurred \$8,148 in equipment lease expenditures. All equipment related leases were terminated effective June 30, 2022 the date of the charter surrender and cessation of operations.

As a result of the surrender of the charter effective June 30, 2022, there were no future minimum lease payments under the facilities and equipment lease agreements.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
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Year Ended June 30, 2022

6 Pension Plans

Description of Plans

Substantially all of the employees of the Charter School are covered by either the Public Employee's Retirement System or the Teacher's Pension and Annuity Fund (both of which are contributory defined benefits plans). Both were established by state statute and are administered by the New Jersey Division of Pension and Benefit (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate.

The 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 for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the formulas mentioned above, but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
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6 Pension Plans - *continued*

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the formulas mentioned above, but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Defined Contribution Retirement Program (DCRP)

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

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

6 Pension Plans - *continued*

Annual Pension Costs (APC)

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

PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

The Charter School's contribution to PERS for the year ended June 30, 2022 was \$73,090.

In accordance with N.J.S.A 18A:66-66 the State of New Jersey reimbursed the Charter School \$114,437 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. Also, the State paid \$541,402 into the TPAF pension representing on-behalf employer's portion of the TPAF Pension System Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long Term Disability Insurance Premium Contributions for the Charter School. These amounts have been included in the school wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

7 Pension Plans – GASB 68 Disclosures

Teachers' Pension and Annuity Fund (TPAF)

Summary of Significant Accounting Policies

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

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

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

The employer contributions for the Charter School are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the Charter School (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity.

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

Since the Charter School (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the Charter School. However, the state's portion of the net pension liability that was associated with the Charter School was \$5,357,667 as measured on June 30, 2021 and \$7,373,361 as measured on June 30, 2020.

For the year ended June 30, 2022, the Charter School recognized pension expense of \$126,068 and revenue of \$126,068 for support provided by the State. The measurement period for the pension expense and revenue reported in the Charter School's financial statements (A-2) at June 30, 2022 is based upon changes in the collective net pension liability with a measurement period of June 30, 2020 through June 30, 2021. Accordingly, the pension expense and the related revenue associated with the support provided by the State are based upon the changes in the collective net pension liability between July 1, 2020 and June 30, 2021.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

7 Pension Plans – GASB 68 Disclosures - *continued*

Teachers’ Pension and Annuity Fund (TPAF) - *continued*

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$ 6,230,825,389	\$ 9,458,881,999
Collective deferred inflows of resources	\$27,221,092,460	\$14,424,322,612
Collective net pension liability (non-employer State of New Jersey)	\$48,075,188,642	\$65,848,796,740
State's portion of the net pension liability that was associated with the Charter School	\$ 5,357,667	\$ 7,373,361
State's portion of the net pension liability that was associated with the Charter School as a percentage of the collective net pension liability	0.011144%	0.011197%

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%
Inflation rate - wage	3.25%
Salary increases: through 2026	1.55% - 4.45% based on years of service
Salary increases: 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.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

7 Pension Plans – GASB 68 Disclosures - *continued*

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

Actuarial Assumptions - continued

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 - continued

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 Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

7 Pension Plans – GASB 68 Disclosures - *continued*

Teachers’ Pension and Annuity Fund (TPAF) - *continued*

Long-Term Expected Rate of Return - continued

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	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

The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2021. 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 based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

7 Pension Plans – GASB 68 Disclosures - *continued*

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

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

Since the Charter School's has no proportionate share of the net pension liability because of the special funding situation, the Charter School would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at: <https://www.nj.gov/treasury/pensions/documents/financial/gasb/gasb68-tpaf21.pdf>

Pension Plan Fiduciary Net Position

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

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

7 Pension Plans – GASB 68 Disclosures - *continued*

Public Employees' Retirement System (PERS)

Summary of Significant Accounting Policies

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

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

At June 30, 2022, the Charter School reported a liability of \$739,346 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability 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 total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2020. The Charter School's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2021 and 2020. At June 30, 2021, the Charter School's proportion was 0.0062410543% which was an increase of 0.0007997614% from its proportion measured as of June 30, 2020 which was 0.0054412929%.

For the year ended June 30, 2022, the Charter School recognized pension expense of \$73,090. At June 30, 2022, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
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Year Ended June 30, 2022

7 Pension Plans – GASB 68 Disclosures - continued

Public Employees’ Retirement System (PERS) - continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,660	\$ 5,293
Changes in assumptions	3,851	263,212
Net difference between projected and actual earnings on pension plan investments	-	194,763
Changes in proportion and differences between Charter School's contributions and proportionate share of contributions	321,256	23,029
Subtotal	336,767	486,297
Charter School's contributions subsequent to the measurement date	73,090	-
Total	\$ 409,857	\$ 486,297

\$73,090 reported as deferred outflows of resources related to pensions resulting from school Charter School contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability measured as of June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	Pension Expense
2022	\$ (58,259)
2023	(41,597)
2024	(28,362)
2025	(21,320)
2026	8
Thereafter	-
	\$ (149,530)

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

7 Pension Plans – GASB 68 Disclosures - continued

Public Employees’ Retirement System (PERS) - continued

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

	June 30, 2021	June 30, 2020
Collective deferred outflows of resources	\$ 1,164,739,169	\$ 2,347,583,337
Collective deferred inflows of resources	\$ 8,339,123,762	\$ 7,848,949,467
Collective net pension liability (Non-State Local Group)	\$ 11,846,499,172	\$ 16,307,384,832
Charter School's portion of the net pension liability	\$ 739,346	\$ 887,333
Charter School's proportion (percentage)	0.00624105%	0.00544130%

Actuarial Assumptions

The collective 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:

Inflation rate - price	2.75%
Inflation rate - wage	3.25%
Salary increases: through 2026	2.00%-6.00% based on years of service
Salary increases: thereafter	3.00%-7.00% based on years of service
Investment rate of return	7.00%

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

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

7 Pension Plans – GASB 68 Disclosures - *continued*

Public Employees’ Retirement System (PERS) - *continued*

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 rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS’s target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	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%

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

7 Pension Plans – GASB 68 Disclosures - *continued*

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

7 Pension Plans – GASB 68 Disclosures - *continued*

Public Employees’ Retirement System (PERS) - *continued*

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

The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net pension 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:

	2021		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the pension liability	\$ 1,017,573	\$ 739,346	\$ 517,802
	2020		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the pension liability	\$ 1,125,787	\$ 887,333	\$ 697,895

Pension Plan Fiduciary Net Position

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

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

8 Post Retirement Benefits

Plan Description and Benefits Provided

The Charter School is in a "special funding situation", as described in GASB Statement No. 75, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the Charter School.

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

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

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

Employees Covered by Benefit Terms.

At June 30, 2020, the following employees were covered by the benefit terms:

Active plan member = 213,901

Inactive plan members entitled to but not yet receiving benefits = 150,427

Inactive plan members or beneficiaries currently receiving benefits = -0-

Total plan members = 364,328

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

8 Post Retirement Benefits – continued

Total Non-employer OPEB Liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The Charter School’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the Charter School did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State’s ACFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>)

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. The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2020.

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%	TPAF/ABP	PERS
Salary increases:			
Through 2026		1.55 to 4.45% based on years of service	2.00 to 6.00% based on years of service
Thereafter		2.75 to 5.65% based on years of service	3.00 to 7.00% based on years of service

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

8 Post Retirement Benefits – *continued*

Actuarial Assumptions and Other Inputs - *continued*

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. 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-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, and July 1, 2014 - June 30, 2018 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01 % in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

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.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

8 Post Retirement Benefits – continued

Changes in the Total OPEB Liability Reported by the State of New Jersey

	Increase/(Decrease) Total OPEB Liability
Balance as of June 30, 2020 measurement date	\$ 67,809,962,608
Changes recognized for the fiscal year:	
Service cost	\$ 3,217,184,264
Interest on total OPEB liability	1,556,661,679
Changes of benefit terms	(63,870,842)
Difference between expected and actual experiences	(11,385,071,658)
Effect of changes of assumptions	59,202,105
Gross benefits paid by the State	(1,226,213,382)
Contributions from the members	39,796,196
Net changes	\$ (7,802,311,638)
 Balance as of June 30, 2021 measurement date	 \$ 60,007,650,970

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

The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.16%; as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	2021		
	At 1% Decrease (1.16%)	At 1% Discount Rate (2.16%)	At 1% Increase (3.16%)
Total OPEB liability attributable to the Charter School	\$ 2,815,174	\$ 2,350,203	\$ 1,984,066
	2020		
	At 1% Decrease (1.21%)	At 1% Discount Rate (2.21%)	At 1% Increase (3.21%)
Total OPEB liability attributable to the Charter School	\$ 3,287,544	\$ 2,727,004	\$ 2,288,716

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

8 Post Retirement Benefits – continued

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

The following presents the total nonemployer OPEB Liability attributable to the Charter School as of June 30, 2021 and 2020, respectively, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the Charter School would be if it were calculated using a healthcare trend rate that is I-percentage-point lower or I-percentage-point higher than the current rate:

	2021		
	At 1% Decrease	Healthcare Cost Trend Rate	At 1% Increase
Total OPEB liability attributable to the Charter School	\$ 1,902,497	\$ 2,350,203	\$ 2,951,439
	2020		
	At 1% Decrease	Healthcare Cost Trend Rate	At 1% Increase
Total OPEB liability attributable to the Charter School	\$ 2,201,330	\$ 2,727,004	\$ 3,352,965

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 \$392,432 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, 2021 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

8 Post Retirement Benefits – continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 9,045,886,863	\$ 18,009,362,976
Net difference between expected and actual earnings on OPEB plan investments	-	-
Assumption changes	10,179,536,966	6,438,261,807
Subtotal	19,225,423,829	24,447,624,783
 Contributions made in fiscal year 2019 after June 30, 2018 measurement date	 TBD	 N/A
Total	\$ 19,225,423,829	\$ 24,447,624,783

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

Measurement Period - Fiscal Year Ending June 30:	Total
2022	\$ (1,182,303,041)
2023	\$ (1,182,303,041)
2024	\$ (1,182,303,041)
2025	\$ (1,182,303,041)
2026	\$ (840,601,200)
Thereafter	\$ 347,612,410
	\$ (5,222,200,954)

9 Deferred Compensation

The Charter School offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrator is *Lincoln Investments*.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

10 Economic Dependency

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

11 Fund Balance Appropriated – General Fund (Exhibit B- 1)

Of the \$3,018,317 General Fund balance at June 30, 2022, \$75,000 is reserved for escrow cash account, \$2,943,317 is the net fund balance.

12 Contingent Liabilities

The Charter School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Charter School may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Charter School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Charter School.

The Charter School's attorneys' letters advise the following: "We were not engaged at the Audit Date or at the Effective Date to give substantive attention to, or represent the School in connection with, any overtly threatened or pending litigation against the School."

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

13 Risk Management

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

Property and Liability Insurance - The Charter School maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (UNAUDITED) of this Annual Comprehensive Financial Report. **New Jersey Unemployment Compensation** - The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the Charter School is required to reimburse the New Jersey Unemployment Trust Fund For benefits paid to its former employees and charged to its account with the State. The Charter School is billed quarterly for amounts due to the State.

14 Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2022 is as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 112,106	\$ -
Special Revenue Fund	-	29,592
Enterprise Fund	-	82,514
Trust and Agency Fund	-	-
	\$ 112,106	\$ 112,106

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

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

15 Receivables

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

State aid	\$ 11,449
Federal aid	231,054
Other	104,350
Total receivables	<u>\$ 346,853</u>

16 Subsequent Events

The Charter School has evaluated all subsequent events occurring through the date of the independent auditor's report which is the date the financial statements were available to be issued. Based on this evaluation, the Charter School has determined that no subsequent events require disclosure in the financial statements except the following:

- Pursuant to New Jersey statutes and as a consequence of the voluntary charter surrender by the Board of Trustees, the Charter School appointed an independent Dissolution Trustee and the appointment was approved by the New Jersey Department of Education. Subsequent to year end, the Trustee has been working with the Board of the Charter School and the NJDOE in winding down the affairs of the Charter School including orderly liquidation of outstanding liabilities, collection of all receivables, sale of assets and arranging for the final audit of its financial statements.
- The Dissolution Trustee arranged for the auction sale of the Charter School's inventory of furniture, computers and other supplies. The proceeds were received after June 2022.

17 Surrender of Charter/Dissolution

The Board of Trustees of the Charter School passed a resolution dated June 6, 2022 to voluntarily surrender its charter effective June 30, 2022. By their letter dated June 13, 2022, New Jersey Commissioner of Education accepted the charter surrender. The Charter School ceased operations effective June 30, 2022.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to the Basic Financial Statements
Year Ended June 30, 2022

18 Reconciliation of Government-Wide and Fund Financial Statements

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

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

Fund balance per B-1	\$ 3,018,317
Cost of capital assets net accumulated depreciation	306,456
Pension deferred outflows	336,767
Pension deferred inflows	(486,297)
Deferred pension liability as of June 30, 2022	(739,346)
Cost of right-to-use lease assets, net of accumulated depreciation	-
Principal balance of lease liabilities	-
Net position (per A-1) as of June 30, 2022	\$ 2,435,897

Required Supplementary Information

Part II

Budgetary Comparison

**ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
General Fund**

C-1

Budget Comparison Schedule

Year ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues					
Local Sources:					
Local tax levy	\$ 389,272	\$ -	\$ 389,272	\$ 389,272	\$ -
Miscellaneous	-	-	-	19,963	19,963
Total revenues -local sources	<u>389,272</u>	<u>-</u>	<u>389,272</u>	<u>409,235</u>	<u>19,963</u>
State sources:					
Federal aid - SEMI revenue	-	-	-	-	-
State aid	3,676,220	(347,189)	3,329,031	3,268,580	(60,451)
Reimbursed TPAF-Social Security (non-budgeted)	-	-	-	114,437	114,437
TPAF - Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	102,448	102,448
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)	-	-	-	438,485	438,485
Long Term Disability Insurance (On-Behalf-Non-Budgeted)	-	-	-	469	469
Total -state sources	<u>3,676,220</u>	<u>(347,189)</u>	<u>3,329,031</u>	<u>3,924,419</u>	<u>595,388</u>
Total revenues	<u>4,065,492</u>	<u>(347,189)</u>	<u>3,718,303</u>	<u>4,333,654</u>	<u>615,351</u>
Expenditures					
Current expense:					
Instruction					
Salaries of teachers	1,460,000	(205,211)	1,254,789	1,254,789	-
Other salaries for instruction	220,000	(56,286)	163,714	163,714	-
Purchased professional technical services	99,000	(12,609)	86,391	86,391	-
Other purchased services	46,000	-	46,000	25,963	20,037
General educational supplies	35,000	12,772	47,772	47,772	-
Textbooks	45,000	(2,347)	42,653	42,653	-
Miscellaneous expenses	5,000	(4,528)	472	472	-
	<u>1,910,000</u>	<u>(268,209)</u>	<u>1,641,791</u>	<u>1,621,754</u>	<u>20,037</u>

**ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
General Fund**

C-1

Budget Comparison Schedule

Year ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Administrative cost:					
Salaries	462,000	(3,452)	458,548	458,548	-
Total benefit costs	750,000	(160,226)	589,774	480,671	109,103
Professional /Technical service	72,500	71,987	144,487	141,135	3,352
Other purchased services	80,000	(47,159)	32,841	32,841	-
Communications and Telephones	28,000	(14,251)	13,749	13,749	-
Supplies and materials	7,500	1,003	8,503	8,503	-
Miscellaneous expenses	10,000	(2,763)	7,237	7,237	-
	<u>1,410,000</u>	<u>(154,861)</u>	<u>1,255,139</u>	<u>1,142,684</u>	<u>112,455</u>
Support services:					
Salaries	189,000	(26,691)	162,309	162,309	-
Purchased prof/tech service	104,000	34,431	138,431	138,431	-
Other purchased services	75,000	117,142	192,142	192,142	-
Rent on land and buildings	410,745	346,191	756,936	715,071	41,865
Insurance-fidelity, liability property	38,000	2,500	40,500	40,168	332
Supplies and materials	15,000	3,101	18,101	17,599	502
Energy & Utilities	28,000	-	28,000	22,734	5,266
Miscellaneous expenses	5,000	9,301	14,301	4,111	10,190
Transportation other than to/from school	155,000	224,940	379,940	379,940	-
Food Services - Transfer to cover deficit	-	-	-	-	-
Total support services	<u>1,019,745</u>	<u>710,915</u>	<u>1,730,660</u>	<u>1,672,505</u>	<u>58,155</u>

**ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
General Fund**

C-1

Budget Comparison Schedule

Year ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital outlay:					
Instructional equipment	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Purchase land/improvements	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reimbursed TPAF-Social Security (non-budgeted)	-	-	-	114,437	(114,437)
TPAF - Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	102,448	(102,448)
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)	-	-	-	438,485	(438,485)
Long Term Disability Insurance (On-Behalf-Non-Budgeted)	-	-	-	469	(469)
Total expenditures	<u>4,339,745</u>	<u>287,845</u>	<u>4,627,590</u>	<u>5,092,782</u>	<u>75,741</u>
Excess (deficiency) of revenues over (under) expenditures	(274,253)	(635,034)	(909,287)	(759,128)	150,159
Other financing sources/(uses):					
Transfer to cover food deficit	-	-	-	-	-
Total other financing sources/(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(274,253)	(635,034)	(909,287)	(759,128)	150,159
Fund balances, beginning of year	<u>3,777,445</u>	<u>-</u>	<u>3,777,445</u>	<u>3,777,445</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,503,192</u>	<u>\$ (635,034)</u>	<u>\$ 2,868,158</u>	<u>\$ 3,018,317</u>	<u>\$ 150,159</u>

**ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
Special Revenue Fund**

C-2

**Budget Comparison Schedule
Budgetary Basis
Year ended June 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues					
Federal sources	\$ 485,939	\$ -	\$ 485,939	\$ 485,939	\$ -
Federal sources	-	-	-	-	-
Local sources	-	-	-	-	-
Total revenues -all sources	<u>485,939</u>	<u>-</u>	<u>485,939</u>	<u>485,939</u>	<u>-</u>
Expenditures					
Current Expenditures:					
Instruction:					
Salaries of teachers	124,998	-	124,998	124,998	-
Purchased Prof. and technical services	-	-	-	-	-
Other purchased services	-	-	-	-	-
General supplies	8,056	-	8,056	8,056	-
Miscellaneous expenditures	-	-	-	-	-
Total instruction	<u>133,054</u>	<u>-</u>	<u>133,054</u>	<u>133,054</u>	<u>-</u>
Support services					
Support services salaries	161,508	-	161,508	161,508	-
Employee benefits	89,404	-	89,404	89,404	-
Purchased professional services	61,323	-	61,323	61,323	-
Other purchased services	-	-	-	-	-
Rental	-	-	-	-	-
Supplies	40,650	-	40,650	40,650	-
Miscellaneous expenditures	-	-	-	-	-
Total support services	<u>352,885</u>	<u>-</u>	<u>352,885</u>	<u>352,885</u>	<u>-</u>
Capital Outlay:					
Facilities acquisition and construction services					
Instructional equipment	-	-	-	-	-
Noninstructional equipment	-	-	-	-	-
Construction services	-	-	-	-	-
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 485,939</u>	<u>\$ -</u>	<u>\$ 352,885</u>	<u>\$ 485,939</u>	<u>\$ -</u>

Notes to Required Supplementary Information

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
Note to Required Supplementary Information
Budget to GAAP Reconciliation

C-3

Year ended June 30, 2022

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule:	[C-1]	\$ 4,333,654	
	[C-2]		\$ 485,939
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 reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	\$ 4,333,654	\$ 485,939
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 5,092,782	
	[C-2]		\$ 485,939
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 reporting purposes.			-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfer (outflows) to general fund		-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 5,092,782	\$ 485,939

Note 1) The general fund budget basis of the use/outflow of resources is GAAP, therefore no reconciliation is required.

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL

L-1

Schedule of the Charter School's Proportionate Share of the Net Pension Liability - PERS
Last Nine Fiscal Years
(Unaudited)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Charter School's proportion of the net pension liability (assets)	0.0062410543%	0.0054412929%	0.0051026753%	0.0037419185%	0.0036899019%	0.0048958464%	0.0039184313%	0.0037669267%	0.0047222249%
Charter School's proportionate share of the net pension liability (assets)	\$ 739,346	\$ 887,333	\$ 919,425	\$ 736,765	\$ 858,950	\$ 1,450,009	\$ 879,609	\$ 705,272	\$ 902,511
Charter School's covered employee payroll	\$ 426,422	\$ 406,116	\$ 374,608	\$ 268,600	\$ 297,972	\$ 325,504	\$ 276,176	\$ 265,768	\$ 306,712
Charter School's proportionate share of the net pension liability (assets) as a percentage of its covered employee payroll	173.38%	218.49%	245.44%	274.30%	288.27%	445.47%	318.50%	265.37%	294.25%
Plan fiduciary net position as a percentage of the total pension liability - local	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Note

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

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL

L-2

Schedule of the Charter School's Contributions - PERS
Last Nine Fiscal Years
(Unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 73,090	\$ 73,090	\$ 59,525	\$ 49,634	\$ 37,220	\$ 34,183	\$ 43,494	\$ 33,688	\$ 31,054
Contribution in relation to the contractually required contribution	<u>(73,090)</u>	<u>(73,090)</u>	<u>(59,525)</u>	<u>(49,634)</u>	<u>(37,220)</u>	<u>(34,183)</u>	<u>(43,494)</u>	<u>(33,688)</u>	<u>(31,054)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Charter School's covered employee payroll	\$ 423,043	\$ 423,043	\$ 347,124	\$ 350,420	\$ 333,610	\$ 281,261	\$ 287,959	\$ 285,545	\$ 266,813
Contributions as a percentage of covered employee payroll	17.28%	17.28%	17.15%	14.16%	11.16%	12.15%	15.10%	11.80%	11.64%

Note

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

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL

Schedule of the Charter School's Proportionate Share of the Net Pension Liability - TPAF
Last Nine Fiscal Years
(Unaudited)

	Fiscal Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Charter School's proportion of the net pension liability (assets)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charter School's proportionate share of the net pension liability (assets)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (assets) associated with the Charter School	\$ 5,357,667	\$ 7,373,361	\$ 6,332,405	\$ 6,916,740	\$ 8,770,829	\$ 10,206,923	\$ 7,934,136	\$ 4,480,814	\$ 4,261,070
Total	<u>\$ 5,357,667</u>	<u>\$ 7,373,361</u>	<u>\$ 6,332,405</u>	<u>\$ 6,916,740</u>	<u>\$ 8,770,829</u>	<u>\$ 10,206,923</u>	<u>\$ 7,934,136</u>	<u>\$ 4,480,814</u>	<u>\$ 4,261,070</u>
Charter School's covered employee payroll	\$ 1,506,586	\$ 1,434,844	\$ 1,391,576	\$ 1,274,292	\$ 1,382,788	\$ 1,474,208	\$ 1,430,328	\$ 1,238,764	\$ 923,484
Charter School's proportionate share of the net pension liability (assets) as a percentage of its covered employee payroll**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL

M-1

Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the Charter School
and Changes in the Total OPEB Liability and Related Ratios
Public Employee's Retirement System and Teachers' Pension and Annuity Fund
Last Six Fiscal Years

	Fiscal Year Ending					
	2021	2020	2019	2018	2017	2016
Total OPEB Liability						
Service cost	\$ 453,905	\$ 241,818	\$ 240,773	\$ 278,466	\$ 337,964	**
Interest cost	60,967	83,099	74,575	104,255	87,599	**
	(2,502)	-	-	-	-	**
Difference between expected and actual experiences	(845,024)	(205,265)	153,939	(1,078,839)	-	**
Changes of assumptions	2,319	498,130	32,135	(197,153)	(475,776)	**
Member contributions	1,559	1,439	(66,160)	(45,940)	(61,511)	**
Gross benefit payments	(48,025)	(47,475)	1,961	1,588	2,265	**
Net change in total OPEB liability	(376,801)	571,746	437,223	(937,623)	(109,459)	**
Total OPEB liability - beginning	2,727,004	2,155,258	1,718,035	2,655,658	2,765,117	**
Total OPEB liability, ending	<u>\$ 2,350,203</u>	<u>\$ 2,727,004</u>	<u>\$ 2,155,258</u>	<u>\$ 1,718,035</u>	<u>\$ 2,655,658</u>	<u>\$ 2,765,117</u>
Covered employee payroll - PERS and TPAF	\$ 564,982	\$ 573,783	\$ 719,421	\$ 508,221	\$ 668,046	**
Total OPEB liability as a percentage of covered employee payroll	416%	475%	300%	338%	398%	0.00%
State's proportionate share of the net OPEB liability (asset) associated with the Charter School	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Charter School's contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

** Information not available.

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

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to Required Supplementary Information
Year Ended June 30, 2022

1. Pension – Public Employees’ Retirement System (PERS)

Benefit Changes

There were none.

Changes of Assumptions

In the July 1, 2019 actuarial valuation, the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

2. Pension – Teachers’ Pension and Annuity Fund (TPAF)

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

3. Other Post-Retirement Benefit Plan – Public Employees’ Retirement System (PERS) and Teachers’ Pension and Annuity Fund (TPAF)

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

Other Supplementary Information

School Level Schedules

Special Revenue Fund

**ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
Special Revenue Fund**

E-1

**Combining Schedule of Program, Revenue and Expenditures
Budgetary Basis**

Year ended June 30, 2022

	Title IA 2021-2022	I.D.E.A. Basic 2021-2022	CRRSA ESSER II 2020-2023	ARP ESSER III Accelerated Coaching 2020-2024	Total
Revenues					
Federal sources	\$ 132,342	\$ 63,846	\$ 239,751	\$ 50,000	\$ 485,939
State sources	-	-	-	-	-
Local sources	-	-	-	-	-
Total revenues -all sources	<u>\$ 132,342</u>	<u>\$ 63,846</u>	<u>\$ 239,751</u>	<u>\$ 50,000</u>	<u>\$ 485,939</u>
Expenditures					
Instruction					
Salaries of teachers	\$ 78,184	\$ -	\$ 46,814	\$ -	124,998
Purchased Prof. and technical services	-	-	-	-	-
Other purchased services	-	-	-	-	-
General supplies	7,652	404	-	-	8,056
Miscellaneous expenditures	-	-	-	-	-
Total instruction	<u>85,836</u>	<u>404</u>	<u>46,814</u>	<u>-</u>	<u>133,054</u>
Support services					
Support services salaries	-	52,732	108,776	-	161,508
Employee benefits	35,183	10,710	43,511	-	89,404
Purchased professional services	11,323	-	-	50,000	61,323
Other purchased services	-	-	-	-	-
Rental	-	-	-	-	-
Supplies	-	-	40,650	-	40,650
Miscellaneous expenditures	-	-	-	-	-
Total support services	<u>46,506</u>	<u>63,442</u>	<u>192,937</u>	<u>50,000</u>	<u>352,885</u>
Facilities acquisition and construction services					
Instructional equipment	-	-	-	-	-
Noninstructional equipment	-	-	-	-	-
Construction services	-	-	-	-	-
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 132,342</u>	<u>\$ 63,846</u>	<u>\$ 239,751</u>	<u>\$ 50,000</u>	<u>\$ 485,939</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	-	-	-	-	-
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year (restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Capital Projects Fund

Enterprise Fund

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
Enterprise Funds

Combining Statement of Net Position

June 30, 2022

	<u>Food Services</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 110,140
Accounts receivable:	-
Federal	11,713
State	179
Interfund receivable - general fund	-
Total current assets	<u>122,032</u>
Liabilities	
Current liabilities:	
Interfund payable - general fund	\$ 82,514
Accounts payable	9,430
Total current liabilities	<u>\$ 91,944</u>
Net position	
Unrestricted	30,088
Total net position	<u>\$ 30,088</u>

**ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
Enterprise Fund**

G-2

Combining Statement of Revenues, Expenditures and Changes in Net Position

Year ended June 30, 2022

	Food Services
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ -
Daily sales - nonreimbursable programs	-
Miscellaneous revenue	-
Total operating revenues	-
Operating expenses:	
Cost of sales - reimbursable programs	131,711
Cost of sales - nonreimbursable programs	-
Salaries	-
Employee benefits	-
Professional /technical service	-
Other purchased services	-
Supplies and materials	-
Depreciation	-
Miscellaneous	-
Total operating expenses	131,711
Operating income (loss)	(131,711)
Nonoperating revenues:	
State sources:	
State School Lunch Program	3,281
Federal sources:	-
National School Lunch Program	86,612
Healthy, Hunger Free Kids Act	-
National School Breakfast Program	48,644
After School Snacks	-
Emergency Operational Cost Reimbursement	23,262
Total nonoperating revenues	161,799
Net income/(loss) before contributions & transfers	30,088
Other financing sources:	
Transfer in/(out) - board contribution	-
	-
Change in net position	30,088
Total net position-beginning of year	-
Total net position-end of year	\$ 30,088

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
Enterprise Fund

G-3

Statement of Cash Flows

Year ended June 30, 2022

	<u>Total</u>
Cash flows from operating activities	
Operating loss	\$ (131,711)
Adjustment to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	-
Changes in assets and liabilities:	
Accounts receivable	956
Due to/(from) general fund	-
Accounts payable	9,430
Net cash used in operating activities	<u>(121,325)</u>
Cash flows from noncapital financing activities	
Cash received from state reimbursements	3,281
Cash received from federal reimbursements	158,518
Operating subsidies and transfers from other funds	-
Net cash provided by noncapital financing activities	<u>161,799</u>
Cash flows from investing activities	
Net change in cash and cash equivalents	40,474
Cash and cash equivalents, beginning	69,666
Cash and cash equivalents, ending	<u>\$ 110,140</u>

Fiduciary Fund
Not Applicable

Long Term Debt
None for this Fiscal Year

Statistical Section

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL STATISTICAL SECTION

Contents

Financial Trends

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

Revenue Capacity (Not Applicable to Charter School)

These schedules contain information to help the reader assess the district'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.

Charter School Performance Framework Financial Indicators

These schedules contain summary information for the past three (3) years that seek to present the Charter School's financial and sustainability indicators.

Sources:

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) the relevant year.

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
County of Camden, New Jersey

J-1

Net Assets By Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities										
Invested in capital assets, net of related debt	\$ 306,456	\$ 338,656	\$ 362,152	\$ 395,486	\$ 417,792	\$ 190,389	\$ 117,019	\$ 9,972	\$ -	\$ -
Restricted	-	112,507	76,203	76,203	76,203	76,203	77,485	3,076,114	3,078,113	1,500,000
Unrestricted	2,054,441	2,685,448	2,695,948	2,267,202	2,818,850	4,445,512	4,445,512	1,969,094	2,902,318	4,277,313
Total governmental activities net position	\$ 2,360,897	\$ 3,136,611	\$ 3,134,303	\$ 2,738,891	\$ 3,312,845	\$ 4,712,104	\$ 4,640,016	\$ 5,055,180	\$ 5,980,431	\$ 5,777,313
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	30,088	-	-	-	-	-	-	-	-	-
Total business-type activities	\$ 30,088	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School-wide										
Invested in capital assets, net of related debt	\$ 306,456	\$ 338,656	\$ 362,152	\$ 395,486	\$ 417,792	\$ 190,389	\$ 117,019	\$ 9,972	\$ -	\$ -
Restricted	-	112,507	76,203	76,203	76,203	76,203	77,485	3,076,114	3,078,113	1,500,000
Unrestricted	2,084,529	2,685,448	2,695,948	2,267,202	2,818,850	4,445,512	4,445,512	1,969,094	2,902,318	4,277,313
Total charter school net position	\$ 2,390,985	\$ 3,136,611	\$ 3,134,303	\$ 2,738,891	\$ 3,312,845	\$ 4,712,104	\$ 4,640,016	\$ 5,055,180	\$ 5,980,431	\$ 5,777,313

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
County of Camden, New Jersey

J-2

Changes In Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2022		2021		2020		2019		Fiscal Year Ended June 30,		2018		2017		2016		2015		2014		2013	
Expenses																						
Governmental activities																						
Instruction																						
Regular	\$	1,754,808	\$	1,858,899	\$	1,325,654	\$	1,668,687	\$	1,518,719	\$	1,230,941	\$	1,316,598	\$	1,528,750	\$	1,518,253	\$	1,096,415		
Support Services:																						
General administration		1,707,909		2,102,890		1,867,746		1,999,847		2,272,676		2,061,242		1,692,879		928,162		849,563		711,718		
School administrative services		2,024,921		1,061,639		902,143		1,025,004		912,843		764,018		740,112		876,344		857,956		683,993		
On-behalf TPAF/FICA Reimbursements		469		-		-		-		-		-		-		-		-		-		
Capital outlay		-		-		-		-		-		-		-		-		-		-		
Unallocated depreciation		32,200		32,200		33,334		34,047		33,264		15,886		9,936		217,949		-		-		
Total governmental activities expenses		<u>5,520,307</u>		<u>5,055,628</u>		<u>4,128,877</u>		<u>4,727,585</u>		<u>4,737,502</u>		<u>4,072,087</u>		<u>3,759,525</u>		<u>3,551,205</u>		<u>3,225,772</u>		<u>2,492,126</u>		
Business-type activities:																						
Food service		131,711		137,863		179,575		204,231		169,460		105,314		166,603		226,807		226,402		218,001		
Child Care		-		-		-		-		-		-		-		-		-		-		
Total business-type activities expense		<u>131,711</u>		<u>137,863</u>		<u>179,575</u>		<u>204,231</u>		<u>169,460</u>		<u>105,314</u>		<u>166,603</u>		<u>226,807</u>		<u>226,402</u>		<u>218,001</u>		
Total charter school expenses	\$	<u>5,652,018</u>	\$	<u>5,193,491</u>	\$	<u>4,308,452</u>	\$	<u>4,931,816</u>	\$	<u>4,906,962</u>	\$	<u>4,177,401</u>	\$	<u>3,926,128</u>	\$	<u>3,778,012</u>	\$	<u>3,452,174</u>	\$	<u>2,710,127</u>		
Program Revenues																						
Governmental activities:																						
Charges for services		-		-		-		-		-		-		-		-		-		-		
Operating grants and contributions	\$	485,939		1,377,654		939,880		971,554		1,372,630		1,131,832		958,675		532,208		286,055		211,595		
Capital grants and contributions		-		-		-		-		-		-		-		-		-		-		
Total governmental activities program revenues		<u>485,939</u>		<u>1,377,654</u>		<u>939,880</u>		<u>971,554</u>		<u>1,372,630</u>		<u>1,131,832</u>		<u>958,675</u>		<u>532,208</u>		<u>286,055</u>		<u>211,595</u>		
Business-type activities:																						
Charges for services		-		-		-		-		-		-		-		-		-		-		
Food service		-		-		-		-		-		-		-		-		-		9,174		4,815
Child care		-		-		-		-		-		-		-		-		-		-		-
Operating grants and contributions		161,799		62,875		104,131		150,104		126,836		134,105		166,603		178,300		184,532		173,447		
Capital grants and contributions		-		-		-		-		-		-		-		-		-		-		
Total business type activities program revenues		<u>161,799</u>		<u>62,875</u>		<u>104,131</u>		<u>150,104</u>		<u>126,836</u>		<u>134,105</u>		<u>166,603</u>		<u>178,300</u>		<u>193,706</u>		<u>178,262</u>		
Total charter school program revenues	\$	<u>647,738</u>	\$	<u>1,440,529</u>	\$	<u>1,044,011</u>	\$	<u>1,121,658</u>	\$	<u>1,499,466</u>	\$	<u>1,265,937</u>	\$	<u>1,125,278</u>	\$	<u>710,508</u>	\$	<u>479,761</u>	\$	<u>389,857</u>		
Net (Expense)/Revenue																						
Governmental activities	\$	(5,034,368)	\$	(3,677,974)	\$	(3,188,997)	\$	(3,756,031)	\$	(3,364,872)	\$	(2,940,255)	\$	(2,800,850)	\$	(3,018,997)	\$	(2,939,717)	\$	(2,280,531)		
Business-type activities		30,088		(74,988)		(75,444)		(54,127)		(42,624)		28,791		-		(48,507)		(32,696)		(39,739)		
Total charter school-wide net expense	\$	<u>(5,004,280)</u>	\$	<u>(3,752,962)</u>	\$	<u>(3,264,441)</u>	\$	<u>(3,810,158)</u>	\$	<u>(3,407,496)</u>	\$	<u>(2,911,464)</u>	\$	<u>(2,800,850)</u>	\$	<u>(3,067,504)</u>	\$	<u>(2,972,413)</u>	\$	<u>(2,320,270)</u>		

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
County of Camden, New Jersey

J-2

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

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 389,272	\$ 919,815	\$ 911,944	\$ 783,552	\$ 658,048	\$ 739,213	\$ -	\$ 319,883	\$ 318,234	\$ 323,527
Grants and contributions	3,924,419	2,750,853	2,722,173	2,413,189	1,893,259	1,687,138	2,371,219	2,715,962	2,844,886	2,774,461
Miscellaneous income	19,963	52,091	25,737	39,461	4,758	9,373	14,466	8,920	12,410	8,608
Transfers	-	(74,987)	(75,445)	(54,127)	(13,833)	-	-	(48,507)	(32,695)	(39,739)
Total governmental activities	4,333,654	3,647,772	3,584,409	3,182,075	2,542,232	2,435,724	2,385,685	2,996,258	3,142,835	3,066,857
Business-type activities:										
Transfers	-	74,987	75,445	54,127	13,833	-	-	48,507	32,695	39,739
Total business-type activities	-	74,987	75,445	54,127	13,833	-	-	48,507	32,695	39,739
Total charter school-wide	\$ 4,333,654	\$ 3,722,759	\$ 3,659,854	\$ 3,236,202	\$ 2,556,065	\$ 2,435,724	\$ 2,385,685	\$ 3,044,765	\$ 3,175,530	\$ 3,106,596
Change in Net Position										
Governmental activities	\$ (700,714)	\$ 44,785	\$ 470,857	\$ (519,829)	\$ (808,807)	\$ (504,531)	\$ (415,165)	\$ 25,768	\$ 235,813	\$ 826,065
Business-type activities	30,088	(74,988)	(75,444)	(54,127)	(42,624)	28,791	-	(48,507)	(32,696)	(39,739)
Total charter school	\$ (670,626)	\$ (30,203)	\$ 395,413	\$ (573,956)	\$ (851,431)	\$ (475,740)	\$ (415,165)	\$ (22,739)	\$ 203,117	\$ 786,326

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
County of Camden, New Jersey

J-3

Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund										
Restricted		\$ 110,974	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 4,575,000	\$ 3,075,000	\$ 1,500,000
Assigned		722	13,784	2,593	33,745	41,127	18,550	19,885	2,572	-
Unreserved	3,018,317	3,665,749	3,647,418	3,249,218	3,801,438	4,814,426	5,307,073	1,328,559	2,899,745	4,277,313
Total general fund	<u>3,018,317</u>	<u>3,777,445</u>	<u>3,736,202</u>	<u>3,326,811</u>	<u>3,910,183</u>	<u>4,930,553</u>	<u>5,400,623</u>	<u>5,923,444</u>	<u>5,977,317</u>	<u>5,777,313</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special revenue fund	-	1,532	1,203	1,203	1,203	1,203	2,485	1,114	3,113	-
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ 1,532</u>	<u>\$ 1,203</u>	<u>\$ 1,203</u>	<u>\$ 1,203</u>	<u>\$ 1,203</u>	<u>\$ 2,485</u>	<u>\$ 1,114</u>	<u>\$ 3,113</u>	<u>\$ -</u>

Source: Charter School's Records

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
County of Camden, New Jersey

J-4

**Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Unaudited)**

Function	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Local tax levy	\$ 389,272	\$ 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	19,963	44,079	25,737	39,461	4,758	10,655	13,095	10,919	13,797	8,608
State sources	3,924,419	4,221,734	4,068,214	3,584,945	2,908,068	2,772,634	2,677,415	3,103,712	3,163,120	3,097,988
Federal sources	485,939	554,147	245,207	265,611	283,788	163,679	273,282	289,100	284,668	211,595
Total revenue	<u>4,819,593</u>	<u>4,819,976</u>	<u>4,339,158</u>	<u>3,890,017</u>	<u>3,196,614</u>	<u>2,946,968</u>	<u>2,963,792</u>	<u>3,403,731</u>	<u>3,461,585</u>	<u>3,318,191</u>
Expenditures										
Instruction	1,754,808	1,858,899	1,325,654	1,668,687	1,518,719	1,230,941	1,316,598	1,528,750	1,518,253	1,096,415
Administration	1,798,523	1,061,639	902,143	1,025,004	912,843	764,018	740,112	875,632	857,956	683,993
Support Services	2,025,390	761,777	736,917	760,386	676,572	592,243	573,547	1,028,523	882,258	751,456
Capital Outlay	-	8,704	-	11,741	260,667	89,256	116,982	26,698	-	-
Unallocated benefits	-	493,839	455,511	565,241	477,589	395,580	431,806	-	-	-
Reimbursed TPAF Pension & Social Security	-	551,066	434,097	388,204	356,761	346,283	306,196	-	-	-
Total expenditures	<u>5,578,721</u>	<u>4,735,924</u>	<u>3,854,322</u>	<u>4,419,263</u>	<u>4,203,151</u>	<u>3,418,321</u>	<u>3,485,241</u>	<u>3,459,603</u>	<u>3,258,467</u>	<u>2,531,864</u>
(Excess of expenditures over revenues)/ Excess of revenues over expenditures	<u>(759,128)</u>	<u>84,052</u>	<u>484,836</u>	<u>(529,246)</u>	<u>(1,006,537)</u>	<u>(471,353)</u>	<u>(521,449)</u>	<u>(55,872)</u>	<u>203,118</u>	<u>786,327</u>
Other (uses)/financing Transfers in/(out)	<u>-</u>	<u>(74,987)</u>	<u>(74,987)</u>	<u>(54,127)</u>	<u>(13,833)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (759,128)</u>	<u>\$ 9,065</u>	<u>\$ 409,849</u>	<u>\$ (583,373)</u>	<u>\$ (1,020,370)</u>	<u>\$ (471,353)</u>	<u>\$ (521,449)</u>	<u>\$ (55,872)</u>	<u>\$ 203,118</u>	<u>\$ 786,327</u>

Source: Charter School's Records

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
County of Camden, New Jersey

J-5

General Fund Other Local Revenue by Source
Last Ten Fiscal Years
(Unaudited)

<u>Function</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>Fiscal Year Ended June 30,</u>		<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
					<u>2018</u>	<u>2017</u>				
Other local revenues										
Miscellaneous	\$ 19,963	\$ 44,079	\$ 25,737	\$ 39,461	\$ 4,758	\$ 10,655	\$ 13,095	\$ 10,919	\$ 9,297	\$ 8,608
Total other local revenue	<u>\$ 19,963</u>	<u>\$ 44,079</u>	<u>\$ 25,737</u>	<u>\$ 39,461</u>	<u>\$ 4,758</u>	<u>\$ 10,655</u>	<u>\$ 13,095</u>	<u>\$ 10,919</u>	<u>\$ 9,297</u>	<u>\$ 8,608</u>

Source: Charter School's Records

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
County of Camden, New Jersey

J-10

Ratio of Outstanding Debt By Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total Charter School	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	
2014	-	-	-	-	-	-	0.00%	-	
2015	-	-	-	-	-	-	0.00%	-	
2016	-	-	-	-	-	-	0.00%	-	
2017	-	-	-	-	-	-	0.00%	-	
2018	-	-	-	-	-	-	0.00%	-	
2019	-	-	-	-	-	-	0.00%	-	
2020	-	-	-	-	-	-	0.00%	-	
2021	-	-	-	-	-	-	0.00%	-	
2022	-	-	-	-	-	-	0.00%	-	

NO LONG TERM DEBT FOR THE CHARTER SCHOOL

Note: Details regarding the Charter School's outstanding debt can be found in the notes to the financial statements.

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2013	76,305	\$ 5,742,332,775	\$ 75,255	16.00%
2014	75,696	3,552,110,496	46,926	12.70%
2015	75,228	3,676,317,132	48,869	11.10%
2016	73,847	3,709,334,810	50,230	10.10%
2017	73,780	3,828,370,420	51,889	9.80%
2018	73,780	3,964,937,200	53,740	8.90%
2019	73,575	4,104,013,500	55,780	7.90%
2020	73,740	4,113,217,200	55,780	16.30%
2021	73,740	4,113,217,200	55,780	16.30%
2022	73,740	4,113,217,200	55,780	16.30%

Source:

^a Population information provided by the New Jersey Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

^c Personal capital income by municipality estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the New Jersey Dept of Labor and Workforce Development

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
County of Camden, New Jersey

J-15

Principal Employers
Current Year
(Unaudited)

<u>Employer</u>	2022		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment
Cooper Health Care/Cooper Health Systems	7,000	1	31.53%
Cooper Anesthesia Associates PA	4,758	2	21.43%
Virtua Our Lady of Lourdes Medical Center	1,468	3	6.61%
NFI/NFI Industries	850	4	3.83%
Campbell Soup Co/Campbell Away from Home	700	5	3.15%
Subaru of America, Inc.	400	6	1.80%
Waste Management, Inc.	300	7	1.35%
Adventure Aquarium	290	8	1.31%
Catelli Brothers, Inc.	250	9	1.13%
Comtemporary Graphics, Inc.	250	9	1.13%
Cooper University Hospital	250	9	1.13%
Philadelphia Sixers	201	10	1.00%
On Time Staffing LLC			
L-3 Communication Systems-East			
Diocese of Camden New Jersey			
MAFCO Consolidated Group, Inc.			
Delaware River Port Authority			
Consolidated Rail Corporation			
	16,717		75.40%

Source: ReferenceUSA.com

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
County of Camden, New Jersey

J-16

Full-Time Equivalent Charter School Employees by Function/Program
Last Ten Fiscal Years
(Unaudited)

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Instruction	22	22	16	21	19	18	19	22	22	21
Support Services	5	5	5	4	4	3	3	6	7	5
Administrative	5	5	4	3	3	3	2	4	4	3
Total	<u>32</u>	<u>32</u>	<u>25</u>	<u>28</u>	<u>26</u>	<u>24</u>	<u>24</u>	<u>32</u>	<u>33</u>	<u>29</u>

Source: Charter School Personnel Records

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
County of Camden, New Jersey

J-17

Operating Statistics

**Last Ten Fiscal Years
(Unaudited)**

Pupil/Teacher Ratio

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Kindergarten	Elementary				
2013	223	\$ 2,531,865	\$ 11,354	5.00%	17	11:1	1:10	208	196	1.00%	94.23%
2014	233	3,258,468	13,985	23.17%	21	10:1	1:10	219	205	5.29%	93.61%
2015	231	3,432,905	14,861	6.27%	22	11:1	1:10	221	208	0.91%	94.12%
2016	190	3,368,259	17,728	19.29%	22	10:1	1:10	181	170	-18.10%	93.92%
2017	148	3,329,064	22,494	26.88%	19	9:1	1:10	144	133	-20.44%	92.36%
2018	161	3,942,484	24,487	8.86%	18	8:1	1:10	156	142	8.33%	91.03%
2019	191	4,407,522	23,076	-5.76%	19	11:1	1:10	185	171	18.59%	92.43%
2020	198	3,854,322	19,466	-15.64%	16	12:1	1:10	200	190	8.11%	95.00%
2021	206	4,727,220	22,948	17.88%	22	9:1	1:10	204	190	2.00%	93.14%
2022	169	5,578,721	33,010	43.85%	22	9:1	1:10	167	161	-17.96%	96.00%

Sources: Charter School records

Note: Enrollment based on annual June Charter School count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
County of Camden, New Jersey

J-18

School Building Information
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30,									
<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>

Information not available.

Source: Charter School Records

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
County of Camden, New Jersey

J-19

Schedule of Required Maintenance Expenditures
By School Facility
Last Ten Fiscal Years
(Unaudited)

2013	\$	-
2014		-
2015		-
2016		-
2017		-
2018		-
2019		-
2020		-
2021		-
2022		1,130,256
		-
Total	<u>\$</u>	<u>1,130,256</u>

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: Charter School records

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
County of Camden, New Jersey

J-20

Insurance Schedule

June 30, 2022
(Unaudited)

	<u>Coverage</u>
Commercial property and general liability:	
Property:	
Personal Property	\$ 500,000,000
Business Income	1,000,000
Electronic Data Processing - Equipment Owned	1,000,000
Employee Dishonesty	500,000
Forgery or Alteration	100,000
Commercial General Liability:	
General Aggregate	31,000,000
Personal & Advertising Injury Limit	250,000
Damage to Premises Rented by Insured	300,000
Medical Expense Limit Per Person	5,000
Employee Benefits Liability	31,000,000
Abuse Sublimit - Per Person Limit	31,000,000
Abuse Sublimit - Aggregate Limit	31,000,000
 Automobile	 31,000,000
Umbrella Liability:	
Each Occurrence Limit	3,000,000
General Aggregate	3,000,000
Retained Limit	3,000,000
Workman's Compensation:	
Each Accident	3,000,000
Disease Policy Limit	3,000,000
Disease Each Employee	3,000,000
Directors & Officers:	
Each Occurrence Limit	3,000,000
Retained Limit	5,000

Source: Charter School Records

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
County of Camden, New Jersey

J-21

Charter School Performance Framework Financial Indicators
New Term Indicators

June 30, 2022
(Unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	
Cash	\$ 2,889,826	\$ 3,534,715	\$ 3,175,654	
Current assets	346,853	624,044	3,761,049	
Capital assets, net	306,456	-	-	
Total assets	<u>3,543,135</u>	<u>4,158,759</u>	<u>6,936,703</u>	
Current liabilities	188,274	115,215	158,169	
Long term liabilities	-	-	-	
Total liabilities	<u>188,274</u>	<u>115,215</u>	<u>158,169</u>	
Net position	<u>\$ 3,354,861</u>	<u>\$ 4,043,544</u>	<u>\$ 6,778,534</u>	
Total revenue	\$ 4,981,392	\$ 5,163,288	\$ 3,659,854	
Total expenses	<u>(5,652,018)</u>	<u>(5,193,489)</u>	<u>(3,264,442)</u>	
Change in net position	<u>\$ (670,626)</u>	<u>\$ (30,201)</u>	<u>\$ 395,412</u>	
Depreciation expense	\$ 32,200	\$ 32,200	\$ 33,334	
Interest expense	-	-	-	
Principal payments	-	-	-	
Interest payments	-	-	-	
Final average daily enrollment	169	204	200	
March 30th budgeted enrollment	240	247	241	
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>Three Year Cumulative</u>
NEAR TERM INDICATORS:				
Current ratio	17.19	36.10	43.86	97.14
Unrestricted days cash	186.62	248.42	355.07	790.11
Enrollment variance	70%	83%	83%	79%
Default	N/A	N/A	N/A	N/A

Source: Charter School Records

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL
County of Camden, New Jersey

J-22

Charter School Performance Framework Financial Indicators
Sustainability Indicators

June 30, 2022
(Unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash	\$ 2,889,826	\$ 3,534,715	\$ 3,175,654
Current assets	346,853	624,044	3,761,049
Capital assets, net	306,456	-	-
Total assets	<u>3,543,135</u>	<u>4,158,759</u>	<u>6,936,703</u>
Current liabilities	188,274	115,215	158,169
Long term liabilities	-	-	-
Total liabilities	<u>188,274</u>	<u>115,215</u>	<u>158,169</u>
Net position	<u>\$ 3,354,861</u>	<u>\$ 4,043,544</u>	<u>\$ 6,778,534</u>
Total revenue	\$ 4,981,392	\$ 5,163,288	\$ 3,659,854
Total expenses	<u>(5,652,018)</u>	<u>(5,193,489)</u>	<u>(3,264,442)</u>
Change in net position	<u>\$ (670,626)</u>	<u>\$ (30,201)</u>	<u>\$ 395,412</u>
Depreciation expense	\$ 32,200	\$ 32,200	\$ 33,334
Interest expense	-	-	-
Principal payments	-	-	-
Interest payments	-	-	-
Final average daily enrollment	169	204	200
March 30th budgeted enrollment	240	247	241

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>Three Year Cumulative</u>
SUSTAINABILITY INDICATORS:				
Total margin	-13%	-0.58%	10.80%	-2%
Debt to asset	N/A	N/A	N/A	N/A
Cash flow	\$ (644,889)	\$ 359,061	\$ 276,399	\$ (9,429)
Debt service coverage ratio	N/A	N/A	N/A	N/A

Source: Charter School Records

Single Audit Section

Olugbenga Olabintan

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K-1

Independent Auditor's 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 Chairperson and
Members of the Board of Trustees
Environment Community Opportunity Charter School
County of Camden
Camden, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Environment Community Opportunity Charter School, in the County of Camden, State of New Jersey ("the Charter School"), as of and for the 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 January 31, 2023.

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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did identify certain deficiency in internal control, described in item # 2022-001 in the accompanying schedule of findings and questioned costs that we consider to be material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

The Charter School's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Charter School's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Charter School's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

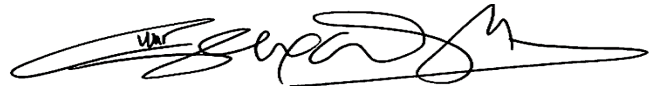
Purpose of this Report

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

Olugbenga Olabintan, CPA

January 31, 2023
Newark, New Jersey

OLUGBENGA OLABINTAN
Certified Public Accountant/Consultant



Olugbenga Olabintan, CPA
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K-2

Independent Auditors' Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the *State of New Jersey Department of Treasury Circular 15-08-OMB*

The Honorable Chairperson and
Members of the Board of Trustees
Environment Community Opportunity Charter School
County of Camden,
Camden, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Environment Community Opportunity Charter School, in the County of Camden, State of New Jersey ("the Charter School") compliance with the types of requirements described in the *State of New Jersey Department of Treasury Circular 15-08-OMB Compliance Supplement* that could have a direct and material effect on each of the Charter School's major state programs for the year ended June 30, 2022. The Charter School's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on New Jersey State Aid Public – Equalization Aid

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct effect on New Jersey State Aid Public – (Cluster) – Equalization Aid, Special Education Aid, Security Aid and State Adjustment Aid for the year ended June 30, 2022.

Unmodified Opinion on Each of the Other Major state programs

In our opinion, the Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

Basis for Qualified and Unmodified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *State of New Jersey Department of Treasury Circular 15-08-OMB Compliance Supplement*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Charter School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Charter School's compliance with the compliance requirements referred to above.

Matter(s) Giving Rise to Qualified Opinion on New Jersey State Aid Public

As described in the accompanying schedule of findings and questioned costs, the Charter School did not comply with requirements regarding New Jersey State Aid Public (Cluster) programs as follows:

22-495-034-5120-078

22-495-034-5120-089

22-495-034-5120-084

22-495-034-5120-085

Equalization Aid

Special Education Aid

Security Aid

State Adjustment Aid

This was described in finding number 2022-002 for Eligibility and Reporting. Compliance with such requirements is necessary, in our opinion, for the Charter School to comply with the requirements applicable to those programs.

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, regulation, rules, and provisions of contracts or grant agreements applicable to the Charter School'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 the Charter School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from

fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Charter School's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB Circular 15-08, we:

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 state programs 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 state programs will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item # 2022-002 to be material weaknesses.

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 state programs 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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

The 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 State of New Jersey Department of Treasury Circular 15-08-OMB and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*. Accordingly, this report is not suitable for any other purpose.

Olugbenga Olabintan, CPA

January 31, 2023
Newark, New Jersey

OLUGBENGA OLABINTAN
Certified Public Accountant/Consultant



Olugbenga Olabintan, CPA
Licensed Public School Accountant
No. 20CS00230200

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL

Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal Grant/ Pass-Through Grantor/ Program Title	Assistance Listing (AL) Number	Federal Award Identification Number	Grant Period	Award Amount	(Accounts Receivable) at June 30, 2021	Deferred Revenue at June 30, 2021	Due to Grantor at June 30, 2021	Adjustments	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2022	Deferred Revenue at June 30, 2022	Due to Grantor at June 30, 2022
Special Revenue Fund:															
U.S. Department of Education, Pass Through Programs:															
Passed-Through New Jersey State Department of Education															
Title I Part A - FY 2021-2022	84.010A	S010A210030	7/1/21-9/30/22	\$ 237,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,932	\$ (132,342)	\$ -	\$ (66,410)	\$ -	\$ -
IDEA Part B - FY 2021-2022	84.027A	H027A210100	7/1/21-9/30/22	53,135	-	-	-	-	-	51,779	(63,846)	-	(12,067)	-	-
CARES Act	84.425D	S425D210027	3/13/20-9/30/23	184,872	(8,704)	-	-	-	-	8,704	-	-	-	-	-
CRRSA-ESSER II	84.425D	S425D210027	3/13/20-9/30/23	718,306	-	-	-	-	-	148,887	(239,751)	-	(90,864)	-	-
ARP ESSER III - Accelerated Learning Coaching and Educator Support Grant	84.425U	S425U210027	3/13/20-9/30/24	50,000	-	-	-	-	-	-	(50,000)	-	(50,000)	-	-
Title I Part A - FY 2020-2021	84.010A	S010A200030	7/1/20-9/30/21	288,410	(415)	-	-	-	-	415	-	-	-	-	-
Title IV Part A - FY 2020-2021	84.424A	S424A200031	7/1/20-9/30/21	-	(1,159)	-	-	-	-	1,159	-	-	-	-	-
IDEA Part B - FY 2020-2021	84.027A	H027A200100	7/1/20-9/30/21	67,986	(25,468)	-	-	(1)	-	25,469	-	-	-	-	-
IDEA Preschool - FY 2020-2021	84.173A	H173A200114	7/1/20-9/30/21	3,072	(2,800)	-	-	-	-	2,800	-	-	-	-	-
Total U.S. Department of Education - Pass-Through Programs				(38,546)	-	-	(1)	-	-	305,145	(485,939)	-	(219,341)	-	-
U.S. Department of Treasury, Pass-Through Program:															
Passed-Through State of New Jersey Department of Education															
Coronavirus Relief Fund Grant - School Re-Opening and Remote Learning	21.019	SLT0228	7/16/20-10/31/20	26,554	-	-	176	(176)	-	-	-	-	-	-	-
Total for U.S. Department of Treasury, Pass-Through Program				-	-	176	(176)	-	-	-	-	-	-	-	-
Total Special Revenue				(38,546)	-	176	(177)	-	-	305,145	(485,939)	-	(219,341)	-	-
Enterprise Fund:															
U.S. Department of Agriculture, Pass-Through Programs:															
Passed-Through New Jersey State Department of Agriculture															
National School Lunch Program	10.555	221NJ304N1099	7/1/21-6/30/22	86,612	-	-	-	-	-	78,833	(86,612)	-	(7,779)	-	-
National School Lunch Program	10.555	211NJ304N1099	7/1/20-6/30/21	38,833	(10,609)	-	-	-	-	10,609	-	-	-	-	-
Subtotal Assistance Listing # 10.555				(10,609)	-	-	-	-	-	89,442	(86,612)	-	(7,779)	-	-
School Breakfast Program	10.553	221NJ304N1099	7/1/21-6/30/22	48,644	-	-	-	-	-	44,710	(48,644)	-	(3,934)	-	-
School Breakfast Program	10.553	211NJ304N1099	7/1/20-6/30/21	21,588	(1,962)	-	-	-	-	1,962	-	-	-	-	-
Subtotal Assistance Listing # 10.553				(1,962)	-	-	-	-	-	46,672	(48,644)	-	(3,934)	-	-
Emergency Operational Cost Reimbursement	10.558	221NJ304N1099	7/1/21-6/30/22	23,262	-	-	-	-	-	23,262	(23,262)	-	-	-	-
Total Enterprise Fund/Total U.S. Department of Agriculture, Pass-Through Programs				(12,571)	-	-	-	-	-	159,376	(158,518)	-	(11,713)	-	-
Total Expenditures of Federal Awards				\$ (51,117)	\$ -	\$ -	\$ (1)	\$ -	\$ -	\$ 464,521	\$ (644,457)	\$ -	\$ (231,054)	\$ -	\$ -

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

ENVIRONMENT OPPORTUNITY COMMUNITY CHARTER SCHOOL

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	(Accounts Receivable) at June 30, 2021	Deferred Revenue at June 30, 2021	Due to Grantor at June 30, 2021	Adjustments	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2022	Deferred Revenue at June 30, 2022	Due to Grantor at June 30, 2022
New Jersey State Department of Education														
General Fund:														
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	\$ 2,235,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,330,135	\$ (2,235,932)	\$ -	\$ (84,522)	\$ -	\$ 9,681
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	2,577,822	(88,150)	-	-	-	-	88,150	-	-	-	-	-
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	53,882	-	-	-	-	-	53,882	(53,882)	-	-	-	-
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	75,770	(1,017)	-	-	1,017	-	-	-	-	-	-	-
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	75,789	-	-	-	-	-	75,789	(75,789)	-	-	-	-
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	97,261	(49)	-	-	49	-	-	-	-	-	-	-
Security Aid	12-495-034-5120-084	7/1/11-6/30/12	87,853	(66)	-	-	66	-	-	-	-	-	-	-
State Adjustment Aid	22-100-034-5120-085	7/1/21-6/30/22	1,292,249	-	-	-	-	-	1,292,249	(1,292,249)	-	-	-	-
TPAF/FICA Reimbursements	22-495-034-5094-003	7/1/21-6/30/22	114,437	-	-	-	-	-	103,167	(114,437)	-	(11,270)	-	-
TPAF/FICA Reimbursements	21-495-034-5094-003	7/1/20-6/30/21	116,896	(717)	-	-	-	-	717	-	-	-	-	-
TPAF Post Retirement Medical Contribution	22-495-034-5094-001	7/1/21-6/30/22	102,448	-	-	-	-	-	102,448	(102,448)	-	-	-	-
TPAF Pension Contribution - Normal & NCGI	22-495-034-5094-002	7/1/21-6/30/22	438,485	-	-	-	-	-	438,485	(438,485)	-	-	-	-
TPAF Long Term Disability Insurance Premium	22-495-034-5094-004	7/1/21-6/30/22	469	-	-	-	-	-	469	(469)	-	-	-	-
Total New Jersey Department of Education/General Fund				<u>(89,999)</u>	<u>-</u>	<u>-</u>	<u>1,132</u>	<u>-</u>	<u>4,485,491</u>	<u>(4,313,691)</u>	<u>-</u>	<u>(95,792)</u>	<u>-</u>	<u>9,681</u>
New Jersey State Department of Agriculture - Direct Programs														
Enterprise Fund:														
State School lunch program	22-100-010-3350-023	7/1/21-6/30/22	3,281	-	-	-	-	-	3,102	(3,281)	-	(179)	-	-
State School lunch program	21-100-010-3350-023	7/1/20-6/30/21	1,969	(276)	-	-	-	-	276	-	-	-	-	-
Total Enterprise Fund/Total State Department of Agriculture - Direct Programs				<u>(276)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,378</u>	<u>(3,281)</u>	<u>-</u>	<u>(179)</u>	<u>-</u>	<u>-</u>
Total State Financial Assistance				<u>\$ (90,275)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,132</u>	<u>\$ -</u>	<u>\$ 4,488,869</u>	<u>(4,316,972)</u>	<u>\$ -</u>	<u>\$ (95,971)</u>	<u>\$ -</u>	<u>\$ 9,681</u>
Less Amounts Not Subject to Single Audit:														
TPAF Post Retirement Medical Contribution										102,448				
TPAF Pension Contribution - Normal & NCGI										438,485				
TPAF Long Term Disability Insurance Premium										469				
Total Expenditures of State Financial Assistance Subject to Single Audit										<u>\$ (3,775,570)</u>				

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

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2022

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all expenditures of federal awards and state financial assistance of the Charter School. 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 schedule of expenditures of federal awards and state financial assistance.

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Charter School's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements and 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 fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or expenditures have been made. The general fund is presented in the accompanying schedules on the modified accrual basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to GAAP basis is \$-0- for the general fund and \$-0- for the special revenue fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3).

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2022

3. Relationship to Basic Financial Statements - *continued*

Federal awards and state financial assistance revenues are reported in the Charter School's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 4,313,691	\$ 4,313,691
Special Revenue Fund	485,939	-	485,939
Enterprise Fund	158,518	3,281	161,799
Total	<u>\$ 644,457</u>	<u>\$ 4,316,972</u>	<u>\$ 4,961,429</u>

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.

5. Other Information

TPAF Social Security contribution in the amount of \$114,437 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2022. The amount reported as TPAF pension representing on-behalf employer's portion of the TPAF Pension System Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long Term Disability Insurance Premium Contributions in the amount of \$541,402 represents the amount paid by the State on behalf of the Charter School for the fiscal year ended June 30, 2022.

6. On Behalf Programs Not Subject to State Single Audit

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

7. De Minimis Indirect Cost

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

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Part I - Summary of Auditors' Results

Financial Statements Section

Type of auditor's report issued: Modified

Internal control over financial reporting:

Material weaknesses identified? Yes No

Significant deficiencies identified Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards:

In accordance with the new requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the audit threshold was raised from \$500,000 to \$750,000. Thus, for fiscal years ending after December 26, 2015, organizations that expend less than \$750,000 in federal awards during a year are exempt from the single audit requirement for that year.

For the fiscal year ended June 30, 2022, the Charter School was determined to expend less than \$750,000 in federal awards and was therefore exempt from the federal single audit requirements for 2022.

**ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

Part I Summary of Auditors' Results

State Financial Assistance Section

Dollar threshold used to distinguish between Type A and B programs: \$750,000

Auditee qualifies as low-risk auditee? Yes ✓ No

Type of auditor's report on compliance for major programs: Modified

Internal control over major programs:

Material weakness(es) identified? ✓ Yes No

Significant deficiency(cies) identified? Yes ✓ None reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circulars 15-08 as applicable? ✓ Yes No

Identification of Major Programs:

<u>State Grant/Program Number(s)</u>	<u>Name of State Program or Cluster</u>
22-495-034-5120-078	Equalization Aid
22-495-034-5120-089	Special Education Aid
22-495-034-5120-084	Security Aid
22-495-034-5120-085	State Adjustment Aid

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Part II – Schedule of Financial Statement Findings

Material Weakness

2022-001 – Enrollment Counts Test Work – Internal Controls Limitations

Criteria

New Jersey Administrative Code, Title 6A Chapter 6A:23A-15 establishes that charter schools are required to conduct enrollment counts on October 15 and the last day of school year. The annual auditors are required to conduct an audit of the two enrollment counts.

Condition/Context

As part of our audit we were required to conduct an audit of the two enrollment counts – October 15, 2021 and the last day of the school year in June 2022. The enrollment counts audit also included a review of the food program eligibility form for each student. All of the food program eligibility forms were not available for our audit. Further, special education folders for the special education students were not available for our audit. It is pertinent to note that the school's charter was revoked and it ceased operation as of June 30, 2022. This led to the return of all enrollment related documents to the respective resident districts of all students prior to June 30, 2022. Therefore, the documents were not readily available for the audit which was scheduled after June 30, 2022.

Questioned Costs

None. The Charter School ceased operations as of June 30, 2022.

Cause

The cause is attributable to the non-renewal of the school's charter and the cessation of operation as of June 30, 2022.

Recommendation

None. The Charter School ceased operations as of June 30, 2022.

Management's Response/Views of Responsible Officials and Planned Corrective Action

None. The Charter School ceased operations as of June 30, 2022.

**ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

Part III –Federal Awards Findings and Questioned Cost

None. For the fiscal year ended June 30, 2022, the Charter School was determined to expend less than \$750,000 in federal awards and was therefore exempt from the federal single audit requirements for 2022.

Part III – Schedule of State Financial Assistance

2022-002 – Enrollment Counts Test Work - Limitations

**Information on State Financial Assistance
New Jersey Department of Education - Cluster**

<u>State Grant #</u>	<u>State Grant</u>
22-495-034-5120-078	Equalization Aid
22-495-034-5120-089	Special Education Aid
22-495-034-5120-084	Security Aid
22-495-034-5120-085	State Adjustment Aid

**Compliance Requirement –Eligibility
Material Non-Compliance
Material Weakness in Internal Control over Compliance**

Criteria

New Jersey Administrative Code, Title 6A Chapter 6A:23A-15 establishes that charter schools are required to conduct enrollment counts on October 15 and the last day of school year. The annual auditors are required to conduct an audit of the two enrollment counts.

Condition/Context

As part of our audit we were required to conduct an audit of the two enrollment counts – October 15, 2021 and the last day of the school year in June 2022. The enrollment counts audit also included a review of the food program eligibility form for each student. All of the food program eligibility forms were not available for our audit. Further, special education folders for the special education students were not available for our audit. It is pertinent to note that the school’s charter was revoked and it ceased operation as of June 30, 2022. This led to the return of all enrollment related documents to the respective resident districts of all students prior to June 30, 2022. Therefore, the documents were not readily available for the audit which was scheduled after June 30, 2022.

**UNIVERSITY HEIGHTS CHARTER SCHOOL
(County of Essex)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

Part III – Schedule of State Financial Assistance

2022-002 – Enrollment Counts Test Work - Limitations

Questioned Costs

None. The Charter School ceased operations as of June 30, 2022.

Cause

The cause is attributable to the non-renewal of the school's charter and the cessation of operation as of June 30, 2022.

Recommendation

None. The Charter School ceased operations as of June 30, 2022.

Management's Response/Views of Responsible Officials and Planned Corrective Action

None. The Charter School ceased operations as of June 30, 2022.

ENVIRONMENT COMMUNITY OPPORTUNITY CHARTER SCHOOL
(County of Camden)
Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2022

Financial Statements Findings:

None in the prior year.

Major Federal Award Findings:

None in the prior year.

Major State Financial Assistance Findings:

None in the prior year.