

Englewood on the Palisades Charter School
of Bergen County

Englewood on the Palisades Charter School
Englewood, New Jersey

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

Of the

Englewood on the Palisades Charter School
of Bergen County

Englewood, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

David P. Block
School Business Administrator

OUTLINE FOR ANNUAL COMPREHENSIVE FINANCIAL REPORT

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INTRODUCTORY SECTION

**Dana Clark, Principal
David Block, Business Administrator**

**65 West Demarest Ave
Englewood, New Jersey 07631**

**Phone: (201) 569-9765
Fax: 201-568-9576**

March 9, 2023

Honorable President and Members
of the Board of Trustees
Englewood on the Palisades Charter School
County of Bergen, New Jersey

Dear Board Members/Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Englewood on the Palisades Charter School for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Englewood on the Palisades Charter School. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the charter school as of June 30, 2022, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the charter school's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

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

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

REPORTING ENTITY AND ITS SERVICES

The Englewood on the Palisades Charter School is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of Englewood on the Palisades Charter School are included in this report. The Charter School has no component units.

The Charter School provides a full range of educational services appropriate to grade levels K through 8. The Charter School’s enrollment, as of June 30th, for the current audit year are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021-2022	311	+0%

ECONOMIC CONDITION AND OUTLOOK

The State of New Jersey continues to face serious budgetary constraints. This impacts the amount of state aid allocated to charter schools through the sending districts. This reality was taken into account when adopting the general state fund for 2021-22. Nothing was done to compromise the quality of the programs in place at Englewood on the Palisades Charter School during the regular instructional day. The budget was prepared to ensure that all students have textbooks, materials, supplies, equipment, programs and staff they need to meet New Jersey’s Core Curriculum Content Standard.

MAJOR INITIATIVES

Englewood on the Palisades Charter School continues to focus on the school’s mission. Englewood on the Palisades Charter School’s mission is to provide elementary students with a rigorous curriculum in a safe nurturing environment, so that all students achieve their highest level of academic success. This will be accomplished through the implementation of a rigorous curriculum differentiated to meet the needs of each student within a climate of high expectations. To fulfill this mission, the administrative staff deliberately and thoughtfully works to improve instruction and student outcomes by growing and developing our staff, providing new resources and programs for our students and providing remedial instruction when needed.

INTERNAL ACCOUNTING CONTROLS

Management of Englewood on the Palisades Charter School is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the charter school are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

BUDGETARY CONTROLS

In addition to internal accounting controls, Englewood on the Palisades Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

The Charter School's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The Charter School's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

FINANCIAL POLICIES

The intent of the charter school's Board of Trustees is to ensure that Englewood on the Palisades Charter School manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance and the maintenance of adequate reserves. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. The revenues allocated to Englewood on the Palisades Charter School are determined by the New Jersey Department of Education General and are based on the revenues and per pupil costs of the sending districts. Fund revenues are the significant revenue sources and are considered susceptible to accrual.

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Jump, Perry and Company, Certified Public Accounts, was appointed by the Board of Trustees.

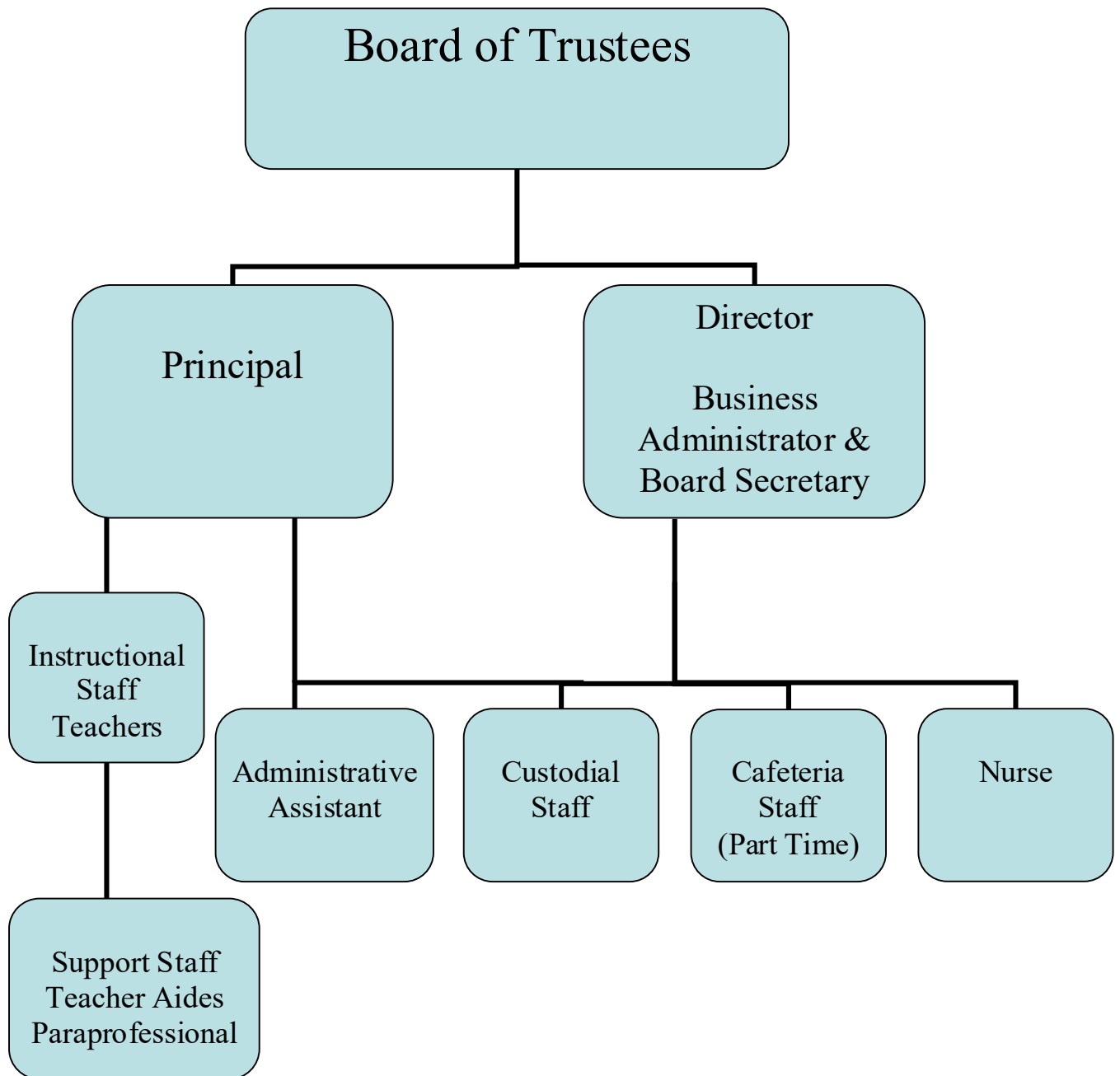
ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Board of Trustees for their concern in providing fiscal accountability to the community of the Englewood on the Palisades Charter School and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,



David P. Block
School Business Administrator
Englewood on the Palisades Charter School



Englewood on the Palisades Charter School
Englewood, New Jersey

Roster of Officials
June 30, 2022

<u>Members of the Board of Trustees</u>	<u>Term Expires</u>
Travis Waller, President	2023
Aree Booker, Vice President	2024
Glenn Coley	2024
Judy Khan	2023
Felise Matlock-Brown	2023

Other Officials

Dana Clark, Principal

David P. Block, School Business Administrator

Englewood on the Palisades Charter School
Consultants and Advisors

Audit Firm

Jump, Perry and Company, L.L.P.
12 Lexington Avenue
Toms River, New Jersey 08753

Attorney

Johnston Law Firm LLC
75 Midland Avenue
Montclair, New Jersey 07042

Official Depositories

NVE Bank

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Trustees
Englewood on the Palisades Charter School:
County of Bergen
Englewood, New Jersey

Report on the Audit of the Financial Statements

Opinions

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 Englewood on the Palisades Charter School ("Charter School") in the County of Bergen, State of New Jersey, 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 as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Englewood on the Palisades 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* 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 and *Government Auditing Standards*, we:

- Exercise professional judgment 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 Englewood on the Palisades Charter School'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 Englewood on the Palisades Charter School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedules related to accounting and reporting for pensions and the schedules related to accounting and reporting for postemployment benefits other than pensions, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of Englewood on the Palisades Charter School's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the Charter School implemented GASB Statement No. 87, Leases, during the fiscal year ended June 30, 2022. Our opinions are not modified with respect to this matter.

Other Information

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

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2023 on our consideration of Englewood on the Palisades 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 Englewood on the Palisades Charter School 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 Englewood on the Palisades Charter School's internal control over financial reporting and compliance.

Respectfully Submitted,

Jump, Perry and Company L.L.P.
Toms River, New Jersey

A handwritten signature in black ink, appearing to read "Kathy Perry", written in a cursive style.

Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

March 9, 2023

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Englewood on the Palisades Charter School

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2022

Unaudited

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

Financial Highlights

Key financial highlights for June 30, 2022 are as follows:

Net position totaled \$2,230,171, which represents a 23.89 percent increase from June 30, 2021.

General revenues accounted for \$5,555,914 in revenue or 88.80 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$700,609 or 11.20 percent of total revenues of \$6,256,523.

Total assets decreased by \$(19,741) as current assets increased by \$281,903 and capital assets, net decreased by \$3,553, leased assets, net decreased by \$298,091.

The Charter School had \$5,826,537 in expenses; only \$700,609 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (tuition charges and related state aid) of \$5,555,914 were adequate to provide for these programs.

Among major funds, the General Fund had \$5,468,414 in revenues and \$5,074,109 in expenditures and transfers. The General Fund's balance increased \$394,305 over June 30, 2021. The General Fund's balance is \$3,814,989.

Using this Annual Comprehensive Financial Report (ACFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the Charter School, presenting both an aggregate view of the Charter School's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the Charter School's most significant funds with all other non-major funds presented in total in one column. In the case of Englewood on the Palisades Charter School, the General Fund is by far the most significant.

Reporting the Charter School as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities provide information about the activities of the Charter School and are designed to provide readers with a broad overview of the Charter School's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Charter School's net position and changes in net position. The change in net position is important because it informs the reader that the financial position of the Charter School has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include, but are not limited to, the Charter School's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs. In the Statement of Net Position and the Statement of Activities, the Charter School is divided into two kinds of activities:

Governmental Activities - All of the Charter School's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and After Care Service Funds are reported as a business activities.

Reporting the Charter School's Most Significant Funds

Fund Financial Statement

The Analysis of the Charter School's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the Charter School's major funds. The Charter School's major governmental funds are the General Fund and Special Revenue Fund.

Governmental Funds

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

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities.

The Charter School as a Whole

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

Table 1 provides a summary comparison of the Charter School's net position for June 30, 2022 and 2021.

Table 1

Net Position as of June 30, 2022 and June 30, 2021

	<u>June 30, 2022</u>			<u>June 30, 2021</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:						
Current and other assets	\$ 3,881,320	\$ 63,667	\$ 3,944,987	\$ 3,626,252	\$ 36,832	\$ 3,663,084
Capital assets, net	10,518	-	10,518	14,071	-	14,071
Leased assets, net	2,588,612	-	2,588,612	2,886,703	-	2,886,703
Total assets	<u>6,480,450</u>	<u>63,667</u>	<u>6,544,117</u>	<u>6,527,026</u>	<u>36,832</u>	<u>6,563,858</u>
Deferred outflow of resources	<u>119,402</u>	<u>-</u>	<u>119,402</u>	<u>164,057</u>	<u>-</u>	<u>164,057</u>
Liabilities:						
Current liabilities	66,331	-	66,331	200,541	-	200,541
Long-term liabilities outstanding	3,965,327	-	3,965,327	4,329,643	-	4,329,643
Total liabilities	<u>4,031,658</u>	<u>-</u>	<u>4,031,658</u>	<u>4,530,184</u>	<u>-</u>	<u>4,530,184</u>
Deferred inflow of resources	<u>401,690</u>	<u>-</u>	<u>401,690</u>	<u>397,546</u>	<u>-</u>	<u>397,546</u>
Net position:						
Net investment in capital assets	(730,461)	-	(730,461)	(660,598)	-	(660,598)
Restricted	75,000	-	75,000	-	-	-
Unrestricted	2,821,965	63,667	2,885,632	2,423,951	36,832	2,460,783
Total Net Position	<u>\$ 2,166,504</u>	<u>\$ 63,667</u>	<u>\$ 2,230,171</u>	<u>\$ 1,763,353</u>	<u>\$ 36,832</u>	<u>\$ 1,800,185</u>

The Charter School's combined net position was \$2,230,171 on June 30, 2022. This is a change of (23.89)% from the previous year.

Table 2 provides a comparison analysis of Charter School's changes in net position from fiscal years June 30, 2022 and 2021.

Table 2

Changes in Net Position

	<u>June 30, 2022</u>			<u>June 30, 2021</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues						
Program revenues:						
Charges for services	\$ -	\$ 12,305	\$ 12,305	\$ -	\$ 8,658	\$ 8,658
Operating and capital grants and contributions	368,525	319,779	688,304	228,844	34,759	263,603
General revenues:						
Tuition	4,419,412	-	4,419,412	4,469,224	-	4,469,224
Federal and state aid	1,068,985	-	1,068,985	549,450	-	549,450
Investment earnings	-	-	-	-	-	-
Miscellaneous	67,517	-	67,517	10,004	-	10,004
Total revenues	<u>5,924,439</u>	<u>332,084</u>	<u>6,256,523</u>	<u>5,257,522</u>	<u>43,417</u>	<u>5,300,939</u>
Expenses						
Instructional services	2,642,088	-	2,642,088	2,063,723	-	2,063,723
Support services	2,706,395	305,249	3,011,644	2,969,853	56,120	3,025,973
Interest on long-term liabilities	172,805	-	172,805	-	-	-
Total expenses	<u>5,521,288</u>	<u>305,249</u>	<u>5,826,537</u>	<u>5,033,576</u>	<u>56,120</u>	<u>5,089,696</u>
Change in net position	<u>\$ 403,151</u>	<u>\$ 26,835</u>	<u>\$ 429,986</u>	<u>\$ 223,946</u>	<u>\$ (12,703)</u>	<u>\$ 211,243</u>

Government Activities

The tuition portion paid by the sending district is made up 74.60% of revenues for governmental activities for the fiscal year 2022. The Charter School's total revenues were \$5,924,439 for the year ended June 30, 2022. Federal, state and local grants accounted for another 25.40%.

The total cost of all programs and services was \$5,521,288. Instruction and instruction direct support comprises 56.66% of the Charter School's expenses.

Expenses for Fiscal Year June 30, 2022

Business-Type Activities

Revenues for the Charter School's business-type activities (food service program and after care service) were comprised of charges for services and grants.

Total Enterprise Fund revenues exceeded expenses by \$26,835.

Charges for services represent \$12,305 of revenue. This represents the amount paid by patrons for daily food service and child care.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$319,779.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and the net cost of services. The net cost shows the financial burden that was placed on the Charter School's taxpayers by each of these functions.

Table 3

Governmental Activities

	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 2,642,088	\$ 2,642,088	\$ 2,063,723	\$ 1,845,450
Support Services:				
Pupils and Instructional Staff	486,424	117,899	551,527	551,527
General Administration, School Administration, Business Operation and Maintenance of Facilities	2,216,601	2,216,601	2,418,326	2,407,755
Pupil Transportation	3,370	3,370	-	-
Interest and Fiscal Charges	<u>172,805</u>	<u>172,805</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>\$ 5,521,288</u>	<u>\$ 5,152,763</u>	<u>\$ 5,033,576</u>	<u>\$ 4,804,732</u>

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

Extracurricular activities includes expenses related to student activities provided by the Charter School which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 90% of the student population participates in extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

The Charter School's Funds

Information about the Charter School's major funds starts with Exhibit B-1. These funds are accounted for using the modified accrual basis of accounting. All government funds had total revenues of \$5,924,439 and expenditures of \$5,530,134. The net positive change in fund balance for the year was most significant in the General Fund, with an increase of \$3,814,989.

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 General Fund and Special Revenue Fund revenues for the fiscal year ended June 30, 2022.

<u>Revenue</u>	<u>2022 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2021</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 4,486,929	75.74 %	\$ 7,701	0.17 %
State Sources	1,007,954	17.01	458,504	83.45
Federal Sources	<u>429,556</u>	<u>7.25</u>	<u>200,712</u>	<u>87.71</u>
Total	<u>\$ 5,924,439</u>	<u>100.00 %</u>	<u>\$ 666,917</u>	<u>12.71 %</u>

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

<u>Expenditures</u>	<u>2022 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2021</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 2,562,455	46.33 %	\$ 280,459	12.29 %
Undistributed Expenditures	2,911,121	52.64	492,795	20.38
Capital Outlay	<u>56,558</u>	<u>1.03</u>	<u>1,868</u>	<u>3.42</u>
Total	<u>\$ 5,530,134</u>	<u>100.00 %</u>	<u>\$ 775,122</u>	<u>16.30 %</u>

General Fund Budgeting Highlights

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

During the course of the fiscal year 2022, the Charter School amended its General Fund budget as needed. The Charter School uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. Transfers from one program to another must be approved by the Business Administration, Superintendent and Board of Trustees. Transfers were necessitated by:

- Changes to enrollment
- Staffing changes based on student needs
- Changes in appropriations to prevent budget overruns

While the Charter School final budget for the General Fund anticipated that revenues would exceed expenditures by approximately \$(303,000), the actual results for the year show a \$3,814,989 surplus.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2022, the Charter School had \$10,518 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2022 and June 30, 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in Progress	-	-	-	-	-	-
Building and Improvements	-	-	-	-	-	-
Machinery and Equipment	10,518	19,098	-	-	10,518	19,098
Total	\$ 10,518	\$ 19,098	\$ -	\$ -	\$ 10,518	\$ 19,098

Debt Administration. The Charter School's long-term liabilities are as follows for the governmental and business-type activities:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Leases payable	\$ 3,329,591	\$ 3,561,372
Pension Liability-PERS	556,103	768,271
Compensated Absences payable	<u>79,633</u>	<u>-</u>
Total long-term liabilities	\$ <u>3,965,327</u>	\$ <u>4,329,643</u>

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

Economic Factors and Next Year's Budget

For the 2021-2022 school year, the Charter School was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 24.26% of the Charter School's revenue is from federal, state and local aid (restricted and not restricted), while 75.74% of total revenue is from local sources.

The \$2,821,965 in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the Charter School had to pay off all bills today, including all of the Charter School's non-capital liabilities (compensated absences, etc.), the Charter School would have that much in value.

The 2021-2022 budget was adopted in March 2021 based in part on the state education aid the Charter School anticipated receiving. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Charter School to come up with alternative funding sources.

The Charter School anticipates a slight increase in enrollment for the 2022-2023 fiscal year. If the Charter School were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the Charter School will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

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 show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Englewood on the Palisades Charter School, 65 W Demarest Ave, Englewood, New Jersey, 07631.

BASIC FINANCIAL STATEMENTS

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,052,128	\$ 40,384	\$ 3,092,512
Restricted cash	75,000	-	75,000
Receivables - other	105,815	-	105,815
Receivables - other governments	111,314	-	111,314
Receivables - state	109,599	350	109,949
Receivables - federal	377,190	22,933	400,123
Security Deposit	50,274	-	50,274
Capital assets, depreciable, net:	10,518	-	10,518
Lease assets, net	2,588,612	-	2,588,612
Total assets	<u>6,480,450</u>	<u>63,667</u>	<u>6,544,117</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	119,402	-	119,402
Total deferred outflows of resources	<u>119,402</u>	<u>-</u>	<u>119,402</u>
LIABILITIES			
Accounts payable	18,000	-	18,000
Other liabilities	18,799	-	18,799
Other payable - districts	29,532	-	29,532
Noncurrent liabilities:			
Due within one year	339,208	-	339,208
Due beyond one year	3,626,119	-	3,626,119
Total liabilities	<u>4,031,658</u>	<u>-</u>	<u>4,031,658</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred outflows - PERS	401,690	-	401,690
Total deferred outflows of resources	<u>401,690</u>	<u>-</u>	<u>401,690</u>
NET POSITION			
Net investment in capital assets	(730,461)	-	(730,461)
Restricted for:			
Charter school escrow reserve	75,000	-	75,000
Unrestricted	2,821,965	63,667	2,885,632
Total net position	<u>\$ 2,166,504</u>	<u>\$ 63,667</u>	<u>\$ 2,230,171</u>

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 2,642,088	\$ -	\$ -	\$ -	\$ (2,642,088)	\$ -	\$ (2,642,088)
Support services and undistributed costs:							
Instruction	36,195	-	-	-	(36,195)	-	(36,195)
Other support services	81,704	-	-	-	(81,704)	-	(81,704)
General administrative services	1,233,467	-	-	-	(1,233,467)	-	(1,233,467)
School administrative services	503,866	-	-	-	(503,866)	-	(503,866)
Other operation & maintenance of plant	479,268	-	-	-	(479,268)	-	(479,268)
Student transportation services	3,370	-	-	-	(3,370)	-	(3,370)
Non-budgeted expenses	368,525	-	368,525	-	-	-	-
Interest Expense	172,805	-	-	-	(172,805)	-	(172,805)
Total governmental activities	<u>5,521,288</u>	<u>-</u>	<u>368,525</u>	<u>-</u>	<u>(5,152,763)</u>	<u>-</u>	<u>(5,152,763)</u>
Business-type activities:							
Food Service	293,738	250	319,779	-	-	26,291	26,291
After Care Service	11,511	12,055	-	-	-	544	544
Total business-type activities	<u>305,249</u>	<u>12,305</u>	<u>319,779</u>	<u>-</u>	<u>-</u>	<u>26,835</u>	<u>26,835</u>
Total primary government	<u>\$ 5,826,537</u>	<u>\$ 12,305</u>	<u>\$ 688,304</u>	<u>\$ -</u>	<u>\$ (5,152,763)</u>	<u>\$ 26,835</u>	<u>\$ (5,125,928)</u>
General revenues:							
Tuition					4,419,412	-	4,419,412
Federal and state aid not restricted					1,068,985	-	1,068,985
Miscellaneous income					67,517	-	67,517
Total general revenues					<u>5,555,914</u>	<u>-</u>	<u>5,555,914</u>
Change in net position before transfers					403,151	26,835	429,986
Transfers					<u>-</u>	<u>-</u>	<u>-</u>
Change in net position after transfers					403,151	26,835	429,986
Net position—beginning (restated)					1,763,353	36,832	1,800,185
Net position—ending					<u>\$ 2,166,504</u>	<u>\$ 63,667</u>	<u>\$ 2,230,171</u>

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Balance Sheet
Governmental Funds
June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 3,399,786	\$ (347,658)	\$ 3,052,128
Escrow	75,000	-	75,000
Security deposit	50,274	-	50,274
Receivables from court settlement	105,815	-	105,815
Receivables from other governments	111,314	-	111,314
Receivables from state	109,599	-	109,599
Receivables from federal	-	377,190	377,190
Total assets	<u>3,851,788</u>	<u>29,532</u>	<u>3,881,320</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	18,000	-	18,000
Payroll deductions and withholdings payable	18,799	-	18,799
Payable to other governments	-	29,532	29,532
Unearned revenue	-	-	-
Total liabilities	<u>36,799</u>	<u>29,532</u>	<u>66,331</u>
Fund Balances:			
Restricted for:			
Charter school escrow reserve	75,000	-	75,000
Unassigned to:			
General fund	<u>3,739,989</u>	<u>-</u>	<u>3,739,989</u>
Total fund balances	<u>3,814,989</u>	<u>-</u>	<u>3,814,989</u>
Total liabilities and fund balances	<u>\$ 3,851,788</u>	<u>\$ 29,532</u>	

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.	10,518
Leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,588,612
Deferred outflows related to the PERS pension plan	119,402
Deferred inflows related to the PERS pension plan	(401,690)
Long-term liabilities, including pension liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Pension liability - PERS	(556,103)
Lease Payable	(3,329,591)
Compensated Absences Payable	(79,633)
	<u>(3,965,327)</u>
Net position of governmental activities	<u>\$ 2,166,504</u>

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
Local sources:			
Tuition charges	\$ 4,419,412	\$ -	\$ 4,419,412
Miscellaneous	67,517	-	67,517
Total - Local sources	4,486,929	-	4,486,929
State sources	981,485	26,469	1,007,954
Federal sources	-	429,556	429,556
Total revenues	5,468,414	456,025	5,924,439
EXPENDITURES			
Current:			
Regular instruction	2,250,798	311,657	2,562,455
Undistributed - current:			
Instruction	-	36,195	36,195
Other support services	-	81,704	81,704
General administrative services	1,396,836	-	1,396,836
School administrative services	503,866	-	503,866
Other operation & maintenance of plant	520,625	-	520,625
Student transportation services	3,370	-	3,370
Non-budgeted expenditures	368,525	-	368,525
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	30,089	26,469	56,558
Total expenditures	5,074,109	456,025	5,530,134
Excess (Deficiency) of revenues over expenditures	394,305	-	394,305
Fund balance—July 1	3,420,684	-	3,420,684
Fund balance—June 30	\$ 3,814,989	\$ -	\$ 3,814,989

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2022**

Total net change in fund balances - governmental funds (from B-2)	\$	394,305				
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>						
<p>In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey</p>		163,369				
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 10px;">Depreciation expense</td> <td style="text-align: right;">\$ (8,580)</td> </tr> <tr> <td style="padding-right: 10px;">Capital outlays</td> <td style="text-align: right; border-top: 1px solid black;">-</td> </tr> </table>	Depreciation expense	\$ (8,580)	Capital outlays	-	(8,580)
Depreciation expense	\$ (8,580)					
Capital outlays	-					
<p>Capital outlays related to lease assets are reported in governmental funds as expenditures. However, in the Statement of Activities the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period.</p>	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 10px;">Amortization Expense</td> <td style="text-align: right;">(298,091)</td> </tr> <tr> <td style="padding-right: 10px;">Lease Asset Additions</td> <td style="text-align: right; border-top: 1px solid black;">-</td> </tr> </table>	Amortization Expense	(298,091)	Lease Asset Additions	-	(298,091)
Amortization Expense	(298,091)					
Lease Asset Additions	-					
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid.</p>		(79,633)				
<p>Repayment of leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.</p>		231,781				
Change in net position of governmental activities	\$	403,151				

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Statement of Net Position
Proprietary Funds
June 30, 2022

Business-type Activities -
Enterprise Funds

	Food Service	After Care Service	Total Enterprise
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 25,536	\$ 14,848	\$ 40,384
Receivables from state	350	-	350
Receivables from federal	22,933	-	22,933
Total current assets	<u>48,819</u>	<u>14,848</u>	<u>63,667</u>
Total assets	<u><u>\$ 48,819</u></u>	<u><u>\$ 14,848</u></u>	<u><u>\$ 63,667</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total current liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Unrestricted	48,819	14,848	63,667
Total net position	<u>48,819</u>	<u>14,848</u>	<u>63,667</u>
Total liabilities and net position	<u><u>\$ 48,819</u></u>	<u><u>\$ 14,848</u></u>	<u><u>\$ 63,667</u></u>

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Fund		
	Food Service	After Care Service	Total Enterprise
Operating revenues:			
Local sources:			
After care charges	\$ -	\$ 12,055	\$ 12,055
Daily sales reimbursable programs			
School breakfast	-	-	-
School lunch	250	-	250
Total daily sales reimbursable programs	<u>250</u>	<u>12,055</u>	<u>12,305</u>
Operating expenses:			
Salaries	92,123	11,511	103,634
Other purchased services	9,975	-	9,975
Supplies and materials	69,204	-	69,204
Other objects	26,575	-	26,575
Cost of sales	95,861	-	95,861
Total operating expenses	<u>293,738</u>	<u>11,511</u>	<u>305,249</u>
Operating income (loss)	<u>(293,488)</u>	<u>544</u>	<u>(292,944)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	4,575	-	4,575
Federal sources:			
Emergency Operational Costs Program - Schools	9,975	-	9,975
P-EBT Admin Cost Reimbursement	1,242	-	1,242
Summer Food Service Program for Children	287,824	-	287,824
Food distribution program	16,163	-	16,163
Total nonoperating revenues (expenses)	<u>319,779</u>	<u>-</u>	<u>319,779</u>
Income (loss) before contributions & transfers	26,291	544	26,835
Transfers in (out)	2,200	(2,200)	-
Change in net position	28,491	(1,656)	26,835
Total net position—beginning	20,328	16,504	36,832
Total net position—ending	<u>\$ 48,819</u>	<u>\$ 14,848</u>	<u>\$ 63,667</u>

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds		
	Food Service	After Care Services	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 250	\$ 12,055	\$ 12,305
Payments to employees & benefits	(92,123)	(11,511)	(103,634)
Payments to suppliers	(201,615)	-	(201,615)
Net cash provided by (used in) operating activities	<u>(293,488)</u>	<u>544</u>	<u>(292,944)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	4,412	-	4,412
Federal sources	295,933	-	295,933
Interfund transfers	16,754	-	16,754
Net cash provided by (used in) non-capital financing activities	<u>317,099</u>	<u>-</u>	<u>317,099</u>
Net increase (decrease) in cash and cash equivalents	23,611	544	24,155
Balances—beginning of year	1,925	14,304	16,229
Balances—end of year	<u>\$ 25,536</u>	<u>\$ 14,848</u>	<u>\$ 40,384</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (293,488)	544	\$ (292,944)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and net amortization	-	-	-
(Increase) decrease in accounts receivable, net	-	-	-
Total adjustments	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ (293,488)</u>	<u>\$ 544</u>	<u>\$ (292,944)</u>

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

1. Description of the Charter School and Reporting Entity

Englewood on the Palisades Charter School ("Charter School") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board of Trustees (the "Board") consists of appointed officials and are responsible for the fiscal control of the Charter School. An Educational Director is appointed by the Board and is responsible for the administrative control of the Charter School.

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the Charter School are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Charter School.

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

2. Summary of Significant Accounting Policies

The financial statements of the Charter School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Charter School's accounting policies are described below.

A. Basis of Presentation

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

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

2. Summary of Significant Accounting Policies (Cont'd)

A. Basis of Presentation (Cont'd)

1. Charter School-Wide Statements

The statement of net position and the statement of activities display information about the Charter School as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statement of net position presents the financial condition of the governmental activities of the Charter School at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Charter School's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Charter School, with certain limited 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.

2. Fund Financial Statements

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

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

B. Fund Accounting

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

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

2. Summary of Significant Accounting Policies (Cont'd)

B. Fund Accounting (Cont'd)

1. Governmental Funds

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

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

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

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

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

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

2. Summary of Significant Accounting Policies (Cont'd)

B. Fund Accounting (Cont'd)

2. Proprietary Funds

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

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

The Charter School's Enterprise Fund is comprised of the Food Service Fund and After Care Fund.

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

Depreciation of all exhaustive capital assets used by proprietary funds is charged as an expense against their operations. There are no capital assets within the proprietary funds.

3. **Fiduciary Funds**

Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the Charter School on behalf of others if applicable .

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

2. Summary of Significant Accounting Policies (Cont'd)

C. Measurement Focus

1. Charter School-Wide Financial Statements

The Charter School-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the Charter School are included on the Statement of Net Position.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the charter school-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the charter school-wide statements and the statements for governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental funds types, expendable trust funds and agency funds. 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 determined and "available" means collectible within 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 fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

2. Summary of Significant Accounting Policies (Cont'd)

D. Basis of Accounting (Cont'd)

The Charter School receives a portion of the local tax levy and state aid from the several school districts based upon the number of enrolled students. The State Department of Education in conjunction with the local school district revises the amounts to be received by the Charter School three times a year based upon the enrollment counts on June 1, October 15, and the last day of the school year. The local tax levy and state aid are susceptible to accrual. The Charter School records the entire anticipated local tax levy to be received at the start of the fiscal year based upon the June 1 enrollment count and certification from the New Jersey State Department of Education, since the revenue is both measurable and available. The Charter School is entitled to receive monies under the established payment schedule, which is revised after each enrollment count date, and the unpaid amount is considered to be an "accounts receivable" or "(accounts payable)". At June 30, 2022, the Charter School had accounts receivable of \$111,314 that represented amounts that had not been repaid based upon the current year final enrollment count.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

E. Budgets/Budgetary Control

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

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

2. Summary of Significant Accounting Policies (Cont'd)

E. Budgets/Budgetary Control (Cont'd)

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

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

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

F. Encumbrances

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Charter School has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end. There were \$- of encumbrances at June 30, 2022.

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

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

2. Summary of Significant Accounting Policies (Cont'd)

G. Cash, Cash Equivalents and Investments

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

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

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

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

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

2. Summary of Significant Accounting Policies (Cont'd)

I. Short-Term Interfund Receivables/Payables

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

J. Capital Assets

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

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

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

<u>Description</u>	<u>Estimated Lives</u>
Building Improvements	20-40 years
Furniture and Equipment	5-10 years

K. Lease Assets

Intangible right-to-use lease assets are assets which the Charter School leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the Charter School's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

2. Summary of Significant Accounting Policies (Cont'd)

L. Compensated Absences

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

There is no liability for sick leave or vacation liabilities reported on the charter school-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. The Charter School had a compensated absence liability of \$79,633 at year end.

M. Accrued Liabilities and Long-Term Obligations and Lease Payable

All payables, accrued liabilities and long-term obligations are reported in the charter school-wide financial statements.

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

In the Charter School-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

2. Summary of Significant Accounting Policies (Cont'd)

N. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

O. Unearned Revenue

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

P. Fund Equity

The fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1) Nonspendable - includes amounts that cannot be spent because they are 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 spent only for the specific purposes determined by a formal action of the Charter School's highest level of decision-making authority.

4) Assigned - amounts intended to be used by the Charter School for specific purposes but do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.

5) Unassigned - includes all spendable amounts not contained in the other classifications.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

2. Summary of Significant Accounting Policies (Cont'd)

Q. Use of Estimates

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

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

S. Change in Accounting Principles

On June 30, 2022, the Charter School implemented the Governmental Accounting Standards Boards (GASB) Statement No 87, Leases. GASB Statement 87 enhances the relevance and consistency of information of the charter school's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financing's of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were reviewed for the Charter School's June 30, 2022 financial statements. The Charter School will review new leases annually to determine proper disclosure.

T. GASB Pronouncements

Recently Issued Accounting Pronouncements to be implemented in future years

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Management has not yet determined the potential impact on the Charter School's financial statements.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

2. Summary of Significant Accounting Policies (Cont'd)

T. GASB Pronouncements (Cont'd)

Statement No. 96, *Subscription-Based Information Technology Arrangements*, This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Statement No. 96 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Management has not yet determined the potential impact on the Charter School's financial statements.

Statement No. 100, *Accounting Changes and Error Corrections - An Amendment GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decision or assessing accountability. Statement No. 100 is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Statement No. 101 is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

3. Deposits and Investments

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-414 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the ACT, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2022, the Charter School's bank balance of \$3,314,735 was exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 3,314,735
Uninsured and Collateralized	<u>-</u>
	<u>\$ 3,314,735</u>

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2022, the Charter School had no investments.

Restricted Cash

The restricted cash is the required Charter School Escrow Reserve. In accordance with the New Jersey Charter School agreement the Charter School has established an escrow that is restricted for the possible costs associated with the dissolution of the charter school. Within five years of the signing of the agreement, the reserve must reach a balance of \$75,000. At June 30, 2022, the balance of the escrow is \$75,000.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

4. Receivables

Receivables at June 30, 2022, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial Statements	Charter School-Wide Financial Statements
State aid	\$ 109,599	\$ 109,949
Federal aid	377,190	400,123
Other	<u>217,129</u>	<u>217,129</u>
	703,918	727,201
Less: allowance for uncollectibles	-	-
Total receivables, net	<u>\$ 703,918</u>	<u>\$ 727,201</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Additions	Balance June 30, 2022
Being Depreciated:			
Machinery and Equipment	\$ 214,497	\$ -	\$ 214,497
	<u>214,497</u>	<u>-</u>	<u>214,497</u>
Less: Accum Depr-mach & equip	<u>(195,399)</u>	<u>(8,580)</u>	<u>(203,979)</u>
	<u>(195,399)</u>	<u>(8,580)</u>	<u>(203,979)</u>
Governmental Activities Capital Fixed Assets, Net	<u>\$ 19,098</u>	<u>\$ (8,580)</u>	<u>\$ 10,518</u>

The proprietary fund type has no capital assets at June 30, 2022. Depreciation expense for governmental activities held assets was \$8,580 for 2022.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

6. Lease Assets

Lease asset balances and activity for the year ended June 30, 2022 were as follows:

	(Restated) Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Lease Assets Being Amortized:				
Building	\$ 4,264,565	\$ -	\$ -	\$ 4,264,565
Equipment	<u>55,147</u>	<u>-</u>	<u>-</u>	<u>55,147</u>
Total Lease Assets Being Amortized	<u>4,319,712</u>	<u>-</u>	<u>-</u>	<u>4,319,712</u>
	<u>4,319,712</u>	<u>-</u>	<u>-</u>	<u>4,319,712</u>
Less Accumulated Amortization for:				
Building	(1,421,520)	(284,304)	-	(1,705,824)
Equipment	<u>(11,489)</u>	<u>(13,787)</u>	<u>-</u>	<u>(25,276)</u>
	<u>(1,433,009)</u>	<u>(298,091)</u>	<u>-</u>	<u>(1,731,100)</u>
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 2,886,703</u>	<u>\$ (298,091)</u>	<u>\$ -</u>	<u>\$ 2,588,612</u>

In accordance with the agreement with the landlord of the building The Charter School was required the security deposit during the term of the lease. The security deposit is reported in General Fund of \$50,278 as of June 30, 2022.

Amortization expense was charged to governmental functions as follows:

Regular Instruction	\$ <u>298,091</u>
	<u>\$ 298,091</u>

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

7. Long-Term Obligations

Changes in Long-Term Obligations for the year ended June 30, 2022, are as follows:

	Balance June 30, 2021	Increases/ Decreases	Balance June 30, 2022	Amounts Due Within One Year
<u>Governmental Activities:</u>				
Leases Payable	\$ 3,561,372	\$ (231,781)	\$ 3,329,591	\$ 259,575
Compensated Absences Payable	-	79,633	79,633	79,633
Bond Payable	-	-	-	-
Pension Liability - PERS	768,271	(212,168)	556,103	-
	<u>\$ 4,329,643</u>	<u>\$ (364,316)</u>	<u>\$ 3,965,327</u>	<u>\$ 339,208</u>

For governmental activities, the pension liability - PERS are liquidated by the Charter School's general fund.

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

There are no serial bonds outstanding at June 30, 2022.

B. Bonds Authorized Not Issued

As of June 30, 2022, the Board had no bonds authorized.

C. Leases Payable

The Charter School had leases outstanding as of June 30, 2022 as follows:

Purpose	Commencement Date	Frequency of Payment	Final Maturity Date	Interest Rate	Amount
Building	7/01/2016	Monthly	6/30/2031	5.00%	\$ 3,297,224
Copiers	9/01/2020	Monthly	8/31/2024	5.00%	\$ 32,367

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

7. Long-Term Obligations (Cont'd)

C. Leases Payable (Cont'd)

Principal and interest due on leases outstanding will be liquidated through the General Fund and are as follows:

Year ended June 30,	Principal	Interest
2023	\$ 259,575	\$ 160,585
2024	289,428	146,928
2025	309,849	131,922
2026	339,656	115,823
2027	366,355	98,234
2028	394,606	79,275
2029	424,493	58,866
2030	456,102	36,923
2031	489,527	13,359
Total	<u>\$ 3,329,591</u>	<u>\$ 841,915</u>

8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

8. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

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

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

8. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources

At June 30, 2022, the Charter School reported a liability of \$556,103 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2020, to the measurement date of June 30, 2021. The Charter School's proportion of the net pension liability was based on the Charter School's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The Charter School's proportion measured as of June 30, 2021, was .0046942395%, which was a increase of .0000169466% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Charter School recognized full accrual pension expense of \$4,306 in the charter school-wide financial statements consisting of employer contributions of \$56,401 and non-employer contributions of \$(52,095). This pension expense was based on the pension plans June 30, 2021 measurement date. At June 30, 2022, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,770	\$ 3,981
Changes of assumptions	2,896	197,976
Net difference between projected and actual earnings on pension plan investments	-	146,492
Changes in proportion and differences between Charter School contributions and proportionate share of contributions	51,335	53,241
Charter School contributions subsequent to the measurement date	<u>56,401</u>	<u>-</u>
Total	<u>\$ 119,402</u>	<u>\$ 401,690</u>

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

8. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

\$56,401 reported as deferred outflows of resources resulting from Charter School contributions subsequent to the measurement date is estimated based on unadjusted 2021-2022 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2023 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The 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 ended June 30:	
2022	\$ (131,959)
2023	(94,218)
2024	(64,241)
2025	(48,290)
2026	19
Thereafter	-
Total	<u>\$ (338,689)</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
June 30, 2021	5.13	-

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

8. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	5.00
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00
June 30, 2020	5.00	5.00
June 30, 2021	5.00	5.00

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

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

8. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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 assumptions:

Inflation Rate

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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.

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 real 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.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

8. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00 %	8.09 %
Non-U.S. Developed Markets Equity	13.50 %	8.71 %
Emerging Markets Equity	5.50 %	10.96 %
Private Equity	13.00 %	11.30 %
Real Assets	3.00 %	7.40 %
Real Estate	8.00 %	9.15 %
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 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 and the nonemployer contributing entity 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

8. Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the Collective 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the net pension liability	765,372	556,103	389,467

Additional Information - The following is a summary of the collective balances of the local group:

	<u>6/30/22</u>	<u>6/30/21</u>
Collective Deferred Outflows of Resources	1,164,738,169	2,347,583,337
Collective Deferred Inflows of Resources	8,339,123,762	7,849,949,467
Collective Net Pension Liability	11,972,782,878	16,435,616,426
Charter School's Portion	.0046942395%	.0047111861%

B. Teachers' Pension and Annuity (TPAF)

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

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

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

8. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (Cont'd)

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A. 18A:66-33*. Therefore, the Charter School is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the Charter School 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.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

8. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (Cont'd)

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the Charter School as of June 30, 2021 was \$10,162,665. The Charter School's proportionate share was \$0.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the net pension liability associated with the Charter School was based on projection of the State's long-term contributions to the pension plan associated with the Charter School relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State proportionate share of the TPAF net pension liability attributable to the Charter School was .0211391056%, which was an increase of .0020585501% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized a pension expense in the amount of \$844,817 for the State's proportionate share of the TPAF pension expense attributable to the Charter School. This pension expense was based on the pension plans June 30, 2021 measurement date.

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 assumptions, applied to all periods in the measurement:

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

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

8. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (Cont'd)

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on 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 ranged 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00 %	8.09 %
Non-U.S. Developed Markets Equity	13.50 %	8.71 %
Emerging Markets Equity	5.50 %	10.96 %
Private Equity	13.00 %	11.30 %
Real Assets	3.00 %	7.40 %
Real Estate	8.00 %	9.15 %
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 %

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

8. Pension Plans (Cont'd)

B. Teachers' Pension and Annuity (TPAF) (Cont'd)

Discount Rate - The discount rate used to measure the total pension liability was 5.40% 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 made based on 100% of the actuarially determined contributions to the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the Collective 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:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's proportionate share of the net pension liability	12,046,841	10,162,665	8,615,393

Pension Plan Fiduciary Net Position - 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.

Additional Information - The following is a summary of the collective balances of the local group:

	<u>6/30/22</u>	<u>6/30/21</u>
Collective Deferred Outflows of Resources	6,373,530,834	9,626,548,228
Collective Deferred Inflows of Resources	27,363,797,906	14,591,988,841
Collective Net Pension Liability	48,165,991,182	65,993,498,688
School District's Portion	.0211391056%	.0190805555%

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

9. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

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

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

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

9. Post-Retirement Benefits (Cont'd)

Employees covered by benefit terms

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

Inactive plan members or beneficiaries currently receiving benefit payments	150,427
Active plan members	<u>213,901</u>
Total	<u>364,328</u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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	2.5%
Salary Increases through 2026	PERS 2.00%-6.00% PFRS 3.25%-15.25% TPAF 1.55%-4.45%
Salary Increases after 2026	PERS 3.00%-7.00% PFRS - N/A TPAF 2.75%-5.65%
Discount Rate	2.16%
Healthcare Cost Trend Rates	4.5%-5.6%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

9. Post-Retirement Benefits (Cont'd)

Total Nonemployer OPEB Liability (Cont'd)

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, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% 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.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the June 30, 2021 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the Charter School calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability of the State for School Retirees	\$71,879,745,555	\$60,007,650,970	\$50,659,089,138
Total OPEB Liability of the State Associated with the Charter School for School Retirees	\$7,761,915	\$6,479,910	\$5,470,408

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

9. Post-Retirement Benefits (Cont'd)

Sensitivity of the total OPEB liability to changes in the health care cost trend rates

The following presents the June 30, 2021 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the Charter School calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$48,576,388,417	\$60,007,650,970	\$75,358,991,782
Total OPEB Liability of the State Associated with the Charter School for School Retirees	\$5,245,508	\$6,479,910	\$8,137,621

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

Balance at June 30, 2020	\$ 67,809,962,608
Changes for the year:	
Service cost	3,217,184,264
Interest on the total OPEB liability	1,556,661,679
Changes of benefit terms	(63,870,842)
Differences Between Expected and Actual Experience	(11,385,071,658)
Changes in assumptions	59,202,105
Gross benefit payments by the state	(1,226,213,382)
Contributions from members	<u>39,796,196</u>
Net changes	<u>(7,802,311,638)</u>
Balance at June 30, 2021	<u>\$ 60,007,650,970</u>

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

For the year ended June 30, 2022, the board of education recognized OPEB expense of \$197,384 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

9. Post-Retirement Benefits (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

In accordance with GASB 75, the Englewood on the Palisades Charter School's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,045,886,863	\$ 18,009,362,976
Changes of assumptions	10,179,536,966	6,438,261,807
Contributions made in fiscal year ending 2022 after June 30, 2021 measurement date	-	-
Total	<u>\$ 19,225,423,829</u>	<u>\$ 24,447,624,783</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
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	<u>347,612,410</u>
Total	<u>\$ (5,222,200,954)</u>

10. Economic Dependency

The Charter School receives its support from federal, state and local governments. A significant reduction in the level of support, if this were to occur, would have an impact on the Charter School's programs and activities.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

11. 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; employee health and accident claims; and natural disasters.

Property and Liability Insurance - The Charter School maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. See J-20.

12. Interfund/Internal Balances and Transfers

There were no interfund balances at June 30, 2022.

13. Fund Balance Appropriated

General Fund - Of the \$3,814,989 General Fund balance at June 30, 2022, \$75,000 is the Charter School Escrow Reserve and \$3,739,989 is unassigned.

14. Contingent Liabilities

The Charter School is a party defendant in some lawsuits, none of a kind unusual for a Charter School of its size and scope of operation. In the opinion of the Charter School's Attorney the potential claims against the Charter School not covered by insurance policies would not materially affect the financial condition of the Charter School.

15. Risks and Contingencies

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Therefore, it is uncertain as to the full magnitude that the pandemic will have on Charter School's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity and operations, suppliers, industry and workforce.

16. Subsequent Events

The Charter School has evaluated all subsequent events occurring through the date of the independent auditor's report, March 9, 2023. No such disclosures were required.

Englewood on the Palisades Charter School

Notes to Financial Statements

For the Year Ended June 30, 2022

17. Uncertain Tax Positions

The Charter School had no unrecognized tax benefits. Furthermore, the Charter School had no unrecognized tax benefits at June 30, 2022. The Charter School files tax returns in the U.S. federal jurisdiction and New Jersey. The Charter School has no open years prior to June 30, 2019.

18. Prior Period Adjustment

The Charter School made a prior year adjustment in the Charter School-wide financial statements to record an intangible right-to-use asset and a lease liability as of June 30, 2021 as a result of implementing GASB 87, Leases:

<u>Statement of Net Position - Governmental Activities:</u>	<u>Balance at June 30, 2021 as Previously Reported</u>	<u>Retroactive Adjustments</u>	<u>Balance at June 30, 2021 as Restated</u>
Assets:			
Lease Assets, Net	\$ -	\$ 2,886,703	\$ 2,886,703
Total Assets	3,640,323	2,886,703	6,527,026
Noncurrent Liabilities:			
Due Within One Year	-	231,781	231,781
Due Beyond One Year	768,271	3,329,591	4,097,862
Total Liabilities	768,271	3,561,372	4,329,643
Net Position:			
Net Investment in Capital Assets	14,071	(674,669)	(660,598)
Total Net Position	2,438,022	(674,669)	1,763,353

REQUIRED SUPPLEMENTARY INFORMATION - PART II

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Budgetary Comparison Schedule
General Fund
For the 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	\$ 4,892,829	\$ (456,604)	\$ 4,436,225	\$ 4,419,412	\$ (16,813)
Interest earned	-	-	-	7,518	7,518
Miscellaneous	8,000	-	8,000	59,999	51,999
Total - local sources	<u>4,900,829</u>	<u>(456,604)</u>	<u>4,444,225</u>	<u>4,486,929</u>	<u>42,704</u>
State sources:					
Equalization aid (Local levies - state share)	-	365,333	365,333	365,333	-
Special Education Aid	143,416	3,515	146,931	146,931	-
Security aid	104,509	(5,576)	98,933	98,575	(358)
Adjustment aid	-	2,121	2,121	2,121	-
TPAF LTDI (on-behalf - Non-budgeted)	-	-	-	348	348
TPAF post-retirement medical (on-behalf - Non-budgeted)	-	-	-	197,384	197,384
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	844,817	844,817
TPAF social security (reimbursed - Non-budgeted)	-	-	-	170,793	170,793
Total state sources	<u>247,925</u>	<u>365,393</u>	<u>613,318</u>	<u>1,826,302</u>	<u>1,212,984</u>
Total revenues	<u>\$ 5,148,754</u>	<u>\$ (91,211)</u>	<u>\$ 5,057,543</u>	<u>\$ 6,313,231</u>	<u>\$ 1,255,688</u>
EXPENDITURES:					
Current Expenditures:					
Regular programs - instruction					
Salaries of teachers	\$ 1,983,447	\$ -	\$ 1,983,447	\$ 1,974,953	\$ 8,494
Other salaries for instruction	101,019	-	101,019	101,019	-
Purchased professional and technical support	33,217	9,800	43,017	43,017	-
Other purchased services	45,000	-	45,000	45,000	-
General supplies	40,500	-	40,500	32,909	7,591
Textbooks	51,000	-	51,000	42,124	8,876
Miscellaneous expenses	15,000	-	15,000	11,776	3,224
Total regular programs - instruction	<u>2,269,183</u>	<u>9,800</u>	<u>2,278,983</u>	<u>2,250,798</u>	<u>28,185</u>
Support services - general administration					
Salaries	370,016	-	370,016	267,658	102,358
Salaries of secretarial and clerical assistants	79,118	-	79,118	59,118	20,000
Legal services	40,000	-	40,000	14,973	25,027
Other purchased prof. services	32,000	-	32,000	28,669	3,331
Purchased technical services	45,000	-	45,000	26,681	18,319
Benefits	955,195	202,218	1,157,413	962,049	195,364
Communications/telephone	16,500	-	16,500	10,398	6,102
General supplies	9,000	-	9,000	9,000	-
Miscellaneous expenditures	25,000	-	25,000	18,290	6,710
Total support services - general administration	<u>1,571,829</u>	<u>202,218</u>	<u>1,774,047</u>	<u>1,396,836</u>	<u>377,211</u>
Support services - school admin.					
Salaries	374,797	-	374,797	341,166	33,631
Other salaries for instruction	105,000	-	105,000	105,000	-
Other purchased services	60,000	-	60,000	51,700	8,300
Miscellaneous	6,000	-	6,000	6,000	-
Total support services - school admin.	<u>545,797</u>	<u>-</u>	<u>545,797</u>	<u>503,866</u>	<u>41,931</u>
Other operation & maint. of plant services					
Energy	75,000	-	75,000	47,663	27,337
Rental of land and bldgs. - other than lease purch. Agreements	389,345	-	389,345	389,345	-
Insurance	78,600	-	78,600	68,617	9,983
General supplies	25,000	-	25,000	15,000	10,000
Total other operation & maint. of plant services	<u>\$ 567,945</u>	<u>\$ -</u>	<u>\$ 567,945</u>	<u>\$ 520,625</u>	<u>\$ 47,320</u>

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student transportation services					
Other undist. expend. Student transportation	\$ 9,000	\$ -	\$ 9,000	\$ 3,370	\$ 5,630
Total student transportation services	<u>9,000</u>	<u>-</u>	<u>9,000</u>	<u>3,370</u>	<u>5,630</u>
On-behalf contributions:					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	348	(348)
On-behalf TPAF OPEB (post-retirement med) (non-budgeted)	-	-	-	197,384	(197,384)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	844,817	(844,817)
Reimbursed TPAF Social Security contributions (non-budgeted)	-	-	-	170,793	(170,793)
Total on-behalf contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,213,342</u>	<u>(1,213,342)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>2,694,571</u>	<u>202,218</u>	<u>2,896,789</u>	<u>3,638,039</u>	<u>(741,250)</u>
TOTAL GENERAL CURRENT EXPENDITURES	<u>4,963,754</u>	<u>212,018</u>	<u>5,175,772</u>	<u>5,888,837</u>	<u>(713,065)</u>
CAPITAL OUTLAY					
Instructional equipment	25,000	-	25,000	10,627	14,373
Non-instructional equipment	25,000	-	25,000	5,333	19,667
Purchase of land/improvement	75,000	-	75,000	-	75,000
Other objects	60,000	-	60,000	14,129	45,871
Total capital outlay	<u>185,000</u>	<u>-</u>	<u>185,000</u>	<u>30,089</u>	<u>154,911</u>
Total general fund	<u>5,148,754</u>	<u>212,018</u>	<u>5,360,772</u>	<u>5,918,926</u>	<u>(558,154)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(303,229)</u>	<u>(303,229)</u>	<u>394,305</u>	<u>(697,534)</u>
Other Financing Sources / Uses:					
Deductions for outstanding tuition overpayments	-	-	-	-	-
Operating transfer out - deficit in food service	-	-	-	-	-
Total Other Financing Sources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>(303,229)</u>	<u>(303,229)</u>	<u>394,305</u>	<u>(697,534)</u>
Fund Balance, July 1	3,420,684	-	3,420,684	3,420,684	-
Fund Balance, June 30	<u>\$ 3,420,684</u>	<u>\$ (303,229)</u>	<u>\$ 3,117,455</u>	<u>\$ 3,814,989</u>	<u>\$ (697,534)</u>
Recapitulation:					
Restricted Fund Balance:					
Escrow				75,000	
Assigned Fund Balance:					
Year-end encumbrances				-	
Designated for subsequent year's expenditures				-	
Unrestricted/undesignated				<u>\$ 3,739,989</u>	

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the 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	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	26,469	26,469	26,469	-
Federal sources	-	429,556	429,556	429,556	-
Total Revenues	<u>-</u>	<u>456,025</u>	<u>456,025</u>	<u>456,025</u>	<u>-</u>
EXPENDITURES					
Instruction:					
Personal services-salaries	-	46,460	46,460	46,460	-
Purchased professional and technical services	-	112,489	112,489	112,489	-
General supplies	-	152,708	152,708	152,708	-
Tuition	-	-	-	-	-
Other objects	-	-	-	-	-
Total instruction	<u>-</u>	<u>311,657</u>	<u>311,657</u>	<u>311,657</u>	<u>-</u>
Support services:					
Personal services - salaries	-	-	-	-	-
Purchased professional and technical services	-	36,195	36,195	36,195	-
Other purchased services	-	80,920	80,920	80,920	-
Employee benefits	-	-	-	-	-
Travel	-	-	-	-	-
Supplies- materials	-	784	784	784	-
Scholarships awarded	-	-	-	-	-
Student Activities	-	-	-	-	-
Total support services	<u>-</u>	<u>117,899</u>	<u>117,899</u>	<u>117,899</u>	<u>-</u>
EXPENDITURES:					
Facilities acquisition and const. serv.:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	26,469	26,469	26,469	-
Total facilities acquisition and const. serv.	<u>-</u>	<u>26,469</u>	<u>26,469</u>	<u>26,469</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>456,025</u>	<u>456,025</u>	<u>456,025</u>	<u>-</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance, July 1				<u>-</u>	
Fund Balance, June 30				<u>\$ -</u>	

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 Note to Required Supplementary Information
 For the Year Ended June 30, 2022

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 6,313,231	[C-2] \$ 456,025
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(844,817)	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	-	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	-	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 5,468,414	[B-2] \$ 456,025
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 5,918,926	[C-2] \$ 456,025
Differences - budget to GAAP:		
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(844,817)	
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.	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 5,074,109	[B-2] \$ 456,025

REQUIRED SUPPLEMENTARY INFORMATION - PART III

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Required Supplementary Information
Schedule of the Charter School's Proportionate Share of the Net Pension Liability-PERS
For the Year Ended June 30, 2022

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Charter School's proportion of the net pension liability	0.0038489431%	0.0043224919%	0.0033928023%	0.0047885732%	0.0047810152%	0.0049320537%	0.0044103794%	0.0047111861%	0.0046942395%
Charter School's proportionate share of the net pension liability	\$ 735,610	\$ 809,289	\$ 761,616	\$ 1,418,238	\$ 1,112,944	\$ 971,097	\$ 794,683	\$ 768,271	\$ 556,103
Charter School's covered-employee payroll	\$ 278,436	\$ 228,959	\$ 326,568	\$ 331,224	\$ 346,354	\$ 313,418	\$ 333,664	\$ 344,008	\$ 313,418
Charter School's proportionate share of the net pension liability as a percentage of its covered-employee payroll	264.19%	353.46%	233.22%	428.18%	321.33%	309.84%	238.17%	223.33%	177.43%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%

The amounts presented were determined as of the fiscal year-end that occurred one year before the Charter School's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Required Supplementary Information
Schedule of the Charter School Contributions-PERS
For the Year Ended June 30, 2022**

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contributions	\$ 29,001	\$ 35,634	\$ 29,169	\$ 42,541	\$ 44,291	\$ 49,058	\$ 42,900	\$ 51,538	\$ 56,401
Contributions in relation to the contractually required contribution	<u>29,001</u>	<u>35,634</u>	<u>29,169</u>	<u>42,541</u>	<u>44,291</u>	<u>49,058</u>	<u>42,900</u>	<u>51,538</u>	<u>56,401</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	\$ 278,436	\$ 228,959	\$ 326,568	\$ 331,224	\$ 346,354	\$ 313,418	\$ 333,664	\$ 344,008	\$ 382,453
Contributions as a percentage of covered-employee payroll	10.42%	15.56%	8.93%	12.84%	12.79%	15.65%	12.86%	14.98%	14.75%

The amounts presented were determined as of the fiscal year-end that occurred one year before the Charter School's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Required Supplementary Information
Schedule of the Charter School's Proportionate Share of Net Pension Liability-TPAF
For the Year Ended June 30, 2022

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
State's proportion of the net pension liability associated with the District	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0190805555%	0.0211391056%
State's proportionate share of the net pension liability associated with the District	\$ 2,574,933	\$ 7,039,607	\$ 9,316,796	\$ 5,922,608	\$ 11,024,363	\$ 10,796,687	\$ 10,897,652	\$ 12,564,316	\$ 10,162,665
Charter School's covered-employee payroll	\$ 1,329,675	\$ 750,697	\$ 1,683,508	\$ 1,722,212	\$ 1,923,757	\$ 1,968,496	\$ 2,205,163	\$ 2,208,459	\$ 2,043,919
Proportionate share of the net pension liability as a percentage of Charter School's covered-employee payroll	193.65%	937.74%	553.42%	343.90%	573.06%	548.47%	494.19%	568.92%	497.21%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.76%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%

The Charter School has a special funding situation and is not required to make any payments for this liability therefore it is not recorded on the CAFR.
The amounts presented were determined as of the fiscal year-end that occurred one year before the Charter School's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2022
(Unaudited)

Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
State's proportion of the OPEB liability associated with the Charter School					
Service cost	\$ 344,237	\$ 286,205	\$ 246,261	\$ 268,760	516,954
Interest cost	134,565	159,518	136,317	122,642	156,821
Changes of benefit terms	-	-	-	-	(6,434)
Differences between expected and actual experiences	-	(865,838)	(368,785)	1,724,712	(988,406)
Changes in assumptions	(596,704)	(381,523)	49,047	1,183,657	5,964
Member contributions	3,592	3,073	2,993	3,419	4,009
Gross benefit payments	<u>(97,562)</u>	<u>(88,901)</u>	<u>(100,979)</u>	<u>(112,810)</u>	<u>(123,531)</u>
Net change in total OPEB liability	(211,872)	(887,466)	(35,146)	3,190,380	(434,623)
State's Total OPEB liability - beginning	<u>4,424,014</u>	<u>4,212,142</u>	<u>3,324,676</u>	<u>3,289,530</u>	<u>6,479,910</u>
State's Total OPEB liability - ending	<u>\$ 4,212,142</u>	<u>\$ 3,324,676</u>	<u>\$ 3,289,530</u>	<u>\$ 6,479,910</u>	<u>\$ 6,045,287</u>
Charter School's covered employee payroll	<u>\$ 982,783</u>	<u>\$ 845,444</u>	<u>\$ 993,696</u>	<u>\$ 1,363,423</u>	<u>\$ 3,011,797</u>
Total State's OPEB liability as a percentage of covered employee payroll	429%	393%	331%	475%	201%

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

Englewood on the Palisades Charter School

Notes to the Required Supplementary Information - Part III

For the Year Ended June 30, 2022

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None .

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

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2020, to 7.00% as of June 30, 2021.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None .

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

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Special Revenue Fund
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2022

	Title I 20/21	Title I 21/22	Title II Part A 20/21	Title II Part A 21/22	Title IV 20/21	Title IV 21/22
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	6,460	79,520	1,065	8,127	60	10,000
Total revenues	<u>6,460</u>	<u>79,520</u>	<u>1,065</u>	<u>8,127</u>	<u>60</u>	<u>10,000</u>
Expenditures:						
Instruction:						
Salaries	6,460	40,000	-	-	-	-
Purchased professional services	-	-	-	-	60	500
General supplies	-	21,520	-	-	-	8,000
Tuition	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-
Total instruction	<u>6,460</u>	<u>61,520</u>	<u>-</u>	<u>-</u>	<u>60</u>	<u>8,500</u>
Support services:						
Other support services - students - special:						
Salaries	-	-	-	-	-	-
Purchased prof. and tech. services	-	18,000	-	-	-	1,500
Other purchased services	-	-	1,065	7,343	-	-
Employee benefits	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Supplies and materials	-	-	-	784	-	-
Scholarships awarded	-	-	-	-	-	-
Student activities	-	-	-	-	-	-
Total support services	<u>-</u>	<u>18,000</u>	<u>1,065</u>	<u>8,127</u>	<u>-</u>	<u>1,500</u>
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 6,460</u>	<u>\$ 79,520</u>	<u>\$ 1,065</u>	<u>\$ 8,127</u>	<u>\$ 60</u>	<u>\$ 10,000</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Special Revenue Fund
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2022

	SDA Emergency 21/22	CRF 20/21	CRRSA ESSER II 21/22	ESSER II MH 21/22	I.D.E.A Regular Program Part B 21/22	I.D.E.A Preschool Part B Preschool 21/22	Total 2022
Revenues:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	26,469	-	-	-	-	-	26,469
Federal sources	-	44,781	190,336	16,695	71,673	839	429,556
Total revenues	<u>26,469</u>	<u>44,781</u>	<u>190,336</u>	<u>16,695</u>	<u>71,673</u>	<u>839</u>	<u>456,025</u>
Expenditures:							
Instruction:							
Salaries	-	-	-	-	-	-	46,460
Purchased professional services	-	44,781	67,148	-	-	-	112,489
General supplies	-	-	123,188	-	-	-	152,708
Tuition	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-
Total instruction	<u>-</u>	<u>44,781</u>	<u>190,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>311,657</u>
Support services:							
Other support services - students - special:							
Salaries	-	-	-	-	-	-	-
Purchased prof. and tech. services	-	-	-	16,695	-	-	36,195
Other purchased services	-	-	-	-	71,673	839	80,920
Employee benefits	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-	784
Scholarships awarded	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,695</u>	<u>71,673</u>	<u>839</u>	<u>117,899</u>
Equipment:							
Regular programs instruction	-	-	-	-	-	-	-
Non-instructional equipment	26,469	-	-	-	-	-	26,469
Total equipment	<u>26,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,469</u>
Total expenditures	<u>\$ 26,469</u>	<u>\$ 44,781</u>	<u>\$ 190,336</u>	<u>\$ 16,695</u>	<u>\$ 71,673</u>	<u>\$ 839</u>	<u>\$ 456,025</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

F. Capital Projects Fund
Not Applicable

G. Proprietary Funds
(See B-4 to B-6)

H. Fiduciary Funds
Not Applicable

I. Long-Term Debt

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Long-Term Debt
Schedule of Obligations Under Leases
For the Year Ended June 30, 2022

<u>Issue</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2021</u>	<u>Issued</u>	<u>Payment/ Retired</u>	<u>Balance June 30, 2022</u>
Copiers	5.00%	\$ 55,147	45,627	-	13,260	32,367
Building	5.00%	4,264,565	3,515,745	-	218,521	3,297,224
			<u>\$ 3,561,372</u>	<u>\$ -</u>	<u>\$ 231,781</u>	<u>\$ 3,329,591</u>

STATISTICAL SECTION

Englewood on the Palisades Charter School
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Charter School's financial performance and well being have changed over time.	91-96
Revenue Capacity These schedules contain information to help the reader assess the Charter School's most significant local revenue source, the property tax.	N/A
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.	N/A
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.	N/A
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	97-100
Performance Framework	100

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

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 23,738	\$ 15,779	\$ 13,967	\$ 34,786	\$ 66,094	\$ 166,929	\$ 311,738	\$ 301,322	\$ (623,766)	\$ (730,461)
Restricted	-	-	-	-	-	-	-	-	-	75,000
Unrestricted	2,653,773	2,479,292	1,214,069	747,133	747,133	828,619	1,285,336	1,285,336	2,387,119	2,821,965
Total governmental activities net position	2,677,511	2,495,071	1,228,036	781,919	813,227	995,548	1,597,074	1,586,658	1,763,353	2,166,504
Business-type activities										
Net investment in capital assets	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	3,000	21,523	17,461	51,173	79,426	49,792	65,287	40,535	36,832	63,667
Total business-type activities net position	3,000	21,523	17,461	51,173	79,426	49,792	65,287	40,535	36,832	63,667
Charter School-wide										
Net investment in capital assets	-	-	-	-	-	166,929	311,738	301,322	(623,766)	(730,461)
Restricted	-	-	-	-	-	-	-	-	-	75,000
Unrestricted	2,680,511	2,516,594	1,245,497	833,092	892,653	878,411	1,350,623	1,912,754	2,423,951	2,885,632
Total charter school-wide net position	\$ 2,680,511	\$ 2,516,594	\$ 1,245,497	\$ 833,092	\$ 892,653	\$ 1,045,340	\$ 1,662,361	\$ 2,214,076	\$ 1,800,185	\$ 2,230,171

Source: CAFR Schedule A-1 and Charter School records.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 1,464,319	\$ 1,721,559	\$ 1,757,510	\$ 1,903,650	\$ 1,911,309	\$ 1,856,104	\$ 2,019,371	\$ 2,046,452	\$ 2,063,723	\$ 2,642,088
Support Services:										
School Support services	766,784	1,259,988	1,197,631	1,194,867	1,165,256	1,444,200	1,296,451	1,260,800	1,434,472	117,899
Pupil transportation	-	-	-	-	-	-	-	-	-	3,370
General administration	753,636	1,047,216	792,287	1,104,280	814,062	956,745	949,476	1,002,700	983,854	1,737,333
Other support services	-	-	71,418	29,481	-	232,049	204,175	150,540	508,014	479,268
Non-budgeted expenditures	50,238	48,133	-	22,488	106,120	22,990	59,366	129,291	43,513	368,525
Interest expense	-	-	-	-	-	-	-	-	-	172,805
Total governmental activities expenses	<u>3,034,977</u>	<u>4,076,896</u>	<u>3,818,846</u>	<u>4,254,766</u>	<u>3,996,747</u>	<u>4,512,088</u>	<u>4,528,839</u>	<u>4,589,783</u>	<u>5,033,576</u>	<u>5,521,288</u>
Business-type activities:										
Food service	-	63,635	113,631	87,142	93,511	113,311	133,986	94,718	43,185	293,738
After child care	45,516	60,439	62,079	76,138	105,729	141,679	97,637	99,220	12,935	11,511
Total business-type activities expense	<u>45,516</u>	<u>124,074</u>	<u>175,710</u>	<u>163,280</u>	<u>199,240</u>	<u>254,990</u>	<u>231,623</u>	<u>193,938</u>	<u>56,120</u>	<u>305,249</u>
Total charter school-wide expenses	<u>3,080,493</u>	<u>4,200,970</u>	<u>3,994,556</u>	<u>4,418,046</u>	<u>4,195,987</u>	<u>4,767,078</u>	<u>4,760,462</u>	<u>4,783,721</u>	<u>5,089,696</u>	<u>5,826,537</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	158,614	148,201	154,020	154,104	159,003	264,860	167,831	227,762	228,844	368,525
Capital grants and contributions	-	-	-	39,742	-	-	-	-	-	-
Total governmental activities program revenues	<u>158,614</u>	<u>148,201</u>	<u>154,020</u>	<u>193,846</u>	<u>159,003</u>	<u>264,860</u>	<u>167,831</u>	<u>227,762</u>	<u>228,844</u>	<u>368,525</u>
Business-type activities:										
Charges for services										
Food service	-	39,641	23,055	31,250	37,837	41,921	47,986	31,195	2,920	250
After child care	40,483	61,132	70,385	100,011	119,037	113,199	126,977	73,868	4,228	12,055
Operating grants and contributions	-	-	78,208	65,731	70,619	70,236	72,155	72,260	34,759	319,779
Capital grants and contributions	-	-	-	-	-	-	-	863	1,510	-
Total business type activities program revenues	<u>40,483</u>	<u>100,773</u>	<u>171,648</u>	<u>196,992</u>	<u>227,493</u>	<u>225,356</u>	<u>247,118</u>	<u>178,186</u>	<u>43,417</u>	<u>332,084</u>
Total charter school-wide program revenues	<u>\$ 199,097</u>	<u>\$ 248,974</u>	<u>\$ 325,668</u>	<u>\$ 390,838</u>	<u>\$ 386,496</u>	<u>\$ 490,216</u>	<u>\$ 414,949</u>	<u>\$ 405,948</u>	<u>\$ 272,261</u>	<u>\$ 700,609</u>

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental activities	\$ (2,904,802)	\$ (3,928,695)	\$ (3,664,826)	\$ (4,060,920)	\$ (3,837,744)	\$ (4,247,228)	\$ (4,361,008)	\$ (4,362,021)	\$ (4,804,732)	\$ (5,521,288)
Business-type activities	2,839	(23,301)	(4,062)	33,712	28,253	(29,634)	15,495	(15,752)	(12,703)	(305,249)
Total charter school-wide net expense	<u>(2,901,963)</u>	<u>(3,951,996)</u>	<u>(3,668,888)</u>	<u>(4,027,208)</u>	<u>(3,809,491)</u>	<u>(4,276,862)</u>	<u>(4,345,513)</u>	<u>(4,377,773)</u>	<u>(4,817,435)</u>	<u>(5,826,537)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	2,482,929	2,908,157	2,702,506	2,819,498	3,165,953	3,667,885	4,304,185	4,472,414	4,469,224	
Federal and State Aid Restricted	293,193	391,754	440,477	534,914	720,304	797,145	639,840	498,282	549,450	1,068,985
Miscellaneous income	88,506	406,170	10,427	290,393	9,480	6,215	9,362	8,327	10,004	67,517
Transfers	-	-	-	-	(56,687)	(41,696)	9,147	-	-	-
Total governmental activities	<u>2,864,628</u>	<u>3,706,081</u>	<u>3,153,410</u>	<u>3,644,805</u>	<u>3,839,050</u>	<u>4,429,549</u>	<u>4,962,534</u>	<u>4,979,023</u>	<u>5,028,678</u>	<u>5,555,914</u>
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charter school-wide	<u>2,864,628</u>	<u>3,706,081</u>	<u>3,153,410</u>	<u>3,644,805</u>	<u>3,839,050</u>	<u>4,429,549</u>	<u>4,962,534</u>	<u>4,979,023</u>	<u>5,028,678</u>	<u>5,555,914</u>
Change in Net Position										
Governmental activities	(40,174)	(222,614)	(511,416)	(416,115)	1,306	182,321	601,526	617,002	223,946	403,151
Business-type activities	2,839	18,523	(4,062)	33,712	28,253	(29,634)	15,495	(15,752)	(12,703)	26,835
Total charter school-wide	<u>\$ (37,335)</u>	<u>\$ (204,091)</u>	<u>\$ (515,478)</u>	<u>\$ (382,403)</u>	<u>\$ 29,559</u>	<u>\$ 152,687</u>	<u>\$ 617,021</u>	<u>\$ 601,250</u>	<u>\$ 211,243</u>	<u>\$ 429,986</u>

Source: CAFR Schedule A-2 and Charter School records.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000
Unassigned	2,653,773	2,479,292	1,969,687	1,536,318	1,631,717	1,781,425	2,281,206	2,918,174	3,345,684	3,739,989
Total general fund	<u>2,653,773</u>	<u>2,479,292</u>	<u>1,969,687</u>	<u>1,536,318</u>	<u>1,631,717</u>	<u>1,781,425</u>	<u>2,281,206</u>	<u>2,918,174</u>	<u>3,420,684</u>	<u>3,814,989</u>
All Other Governmental Funds										
Restricted										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Source: CAFR Schedule B-1 and Charter School records.

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tuition charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,419,412
Interest earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous	263,940	406,170	357,860	290,393	9,480	6,215	9,362	8,327	10,004	67,517
Local sources	2,482,929	2,908,157	2,702,506	2,819,498	3,165,953	3,667,885	4,304,185	4,472,414	4,469,224	-
State sources	293,193	391,754	440,477	534,914	1,210,892	1,377,450	639,840	498,282	549,450	1,007,954
Federal sources	158,614	148,201	154,020	154,104	159,003	315,646	167,831	227,762	228,844	429,556
Total revenue	3,198,676	3,854,282	3,654,863	3,798,909	4,545,328	5,367,196	5,121,218	5,206,785	5,257,522	5,924,439
Expenditures										
Instruction										
Regular Instruction	1,437,494	1,721,559	1,757,510	1,903,650	1,911,309	2,004,189	2,171,335	2,203,942	2,281,996	2,562,455
Support Services:										
Instruction support services	-	-	-	-	-	-	-	-	-	36,195
Other support services	856,300	1,047,216	491,229	1,104,208	619,845	956,745	949,476	1,002,700	983,854	81,704
Pupil transportation	-	-	-	-	-	-	-	-	-	3,370
General administrative services	450,850	554,599	1,197,631	548,187	1,165,256	1,444,200	510,530	1,260,800	547,370	1,900,702
Operation and maintenance of grounds	-	-	-	-	-	-	-	-	-	520,625
Employee benefits	460,086	568,164	646,680	646,680	684,805	580,305	785,921	-	887,102	368,525
Capital outlay	41,360	137,225	71,418	29,481	68,714	232,049	204,175	102,375	54,690	56,558
Total expenditures	3,246,090	4,028,763	4,164,468	4,232,206	4,449,929	5,217,488	4,621,437	4,569,817	4,755,012	5,530,134
Excess (Deficiency) of revenues over (under) expenditures	(47,414)	(174,481)	(509,605)	(433,297)	95,399	149,708	499,781	636,968	502,510	394,305
Net change in fund balances	\$ (47,414)	\$ (174,481)	\$ (509,605)	\$ (433,297)	\$ 95,399	\$ 149,708	\$ 499,781	\$ 636,968	\$ 502,510	\$ 394,305
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: CAFR Schedule B-2 and Charter School records

Note: Noncapital expenditures are total expenditures less capital outlay.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	12.0	12.0	12.0	12.0	12.0	16.0	18.0	20.0	20.0	20.0
Special education	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Other special education										
Vocational										
Other instruction	6.0	6.0	6.0	6.0	6.0	2.0	2.0	2.0	2.0	2.0
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services										
General administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
School administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other administrative services										
Central services										
Administrative Information Technology										
Plant operations and maintenance	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Pupil transportation										
Other support services	1.0	1.0	1.0	1.0	1.0	4.0	4.0	4.0	4.0	4.0
Special Schools	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Food Service										
Child Care										
Total	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>	<u>30.0</u>	<u>32.0</u>	<u>34.0</u>	<u>34.0</u>	<u>34.0</u>

Source: Charter School Personnel Records

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Operating Statistics
Last Ten Fiscal Years**

Pupil/Teacher Ratio

Fiscal Year	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
						K	Elementary	Grade 4-8				
2013	178.0	3,087,476	17,345	-3.89%	12.0	2.0	6	4	185.6	178.2	0.00%	96.01%
2014	178.0	3,246,090	18,236	5.14%	12.0	2.0	6	4	174.4	171.0	-6.03%	98.05%
2015	178.0	4,449,929	25,000	37.09%	12.0	2.0	6	4	174.4	171.0	0.00%	98.05%
2016	206.0	4,232,278	20,545	-17.82%	12.0	2.0	6	4	201.9	197.8	15.77%	97.97%
2017	242.0	5,217,488	21,560	4.94%	12.0	2.0	6	4	237.2	232.4	17.48%	97.98%
2018	274.0	4,901,842	17,890	-17.02%	16.0	2.0	6	6	268.5	263.1	13.20%	97.99%
2019	312.0	5,295,570	16,973	-5.13%	18.0	2.0	2	8	305.8	299.6	13.89%	97.97%
2020	324.0	5,326,561	16,440	-3.14%	20.0	2.0	2	8	317.5	311.2	3.83%	98.02%
2021	311.0	4,471,478	14,378	-12.54%	20.0	2.0	2	8	304.8	298.7	-4.00%	98.00%
2022	311.0	5,044,020	16,219	12.80%	20.0	2.0	2	8	307.0	302.0	0.72%	98.37%

Sources: Charter School records

Note: Enrollment based on annual October charter school count for FYE 2022.

- a Operating expenditures equal total expenditures less debt service, on behalf and capital outlay per schedule c -1
- 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).

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
School Building Information
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District Building										
<u>High School</u>										
Academy Charter High School										
Square Feet	21,500	21,500	21,500	21,500	21,500	40,000	40,000	40,000	40,000	40,000
Capacity (students)	225	225	225	225	225	496	496	496	496	496
Enrollment	187	178	178	210	242	274	312	324	311	311

Number of Schools at June 30, 2021
Senior High School = 1

Source: Charter School Records

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Insurance Schedule
June 30, 2022

	<u>Coverage</u>	<u>Deductible</u>
<u>Gunn Steers & Company, LLC</u>		
<u>School Package Policy</u>		
Property	\$ 2,000,000	\$ 1,000
Crime	295,000	1,000
General Liability	3,105,000	1,000
Site Pollution	4,000,000	50,000
Cyber Liability	10,725,000	10,000
Automobile Liability	5,000,000	
 <u>Student Accident Insurance</u>	 6,520,000	 -
 <u>Surety Bonds</u>		
Board Secretary	155,000	1,000
Directors/Officers Liability	1,000,000	10,000
 <u>Workers' Compensation</u>	 6,000,000	

Source: Charter school records

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Fiscal Performance/Fiscal Ratios
Last Nine Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022
	Audit	Audit	Audit	Audit	Audit	Audit	Audit	Audit	Audit
Cash	554,746	407,977	519,123	285,339	1,752,594	2,301,854	2,817,621	3,335,287	3,167,512
Current Assets	95,380	44,700	15,396	4,567	248,925	168,202	280,483	491,854	727,201
Total Assets	1,275,295	1,357,438	1,401,957	1,329,866	2,638,433	3,136,506	3,599,337	3,841,212	6,663,519
Current Liabilities	103,189	223,325	100,530	85,126	170,302	168,563	130,395	131,255	405,539
Total Liabilities	103,189	950,437	1,018,716	1,295,501	1,593,093	1,474,145	1,335,726	1,366,358	4,433,348
Net Position	1,172,106	407,001	383,241	34,365	1,045,340	1,662,361	2,263,611	2,474,854	2,230,171
Total Revenue	3,451,559	3,668,939	3,606,294	3,598,215	4,919,765	5,377,483	5,384,971	5,292,281	6,244,468
Total Expenses	3,319,474	3,609,112	3,630,054	3,947,091	4,767,078	4,760,462	4,783,721	5,081,038	5,826,537
Change in Net Position	132,085	59,827	(23,760)	(348,876)	152,687	617,021	601,250	211,243	417,931
Depreciation Expense	7,960	1,810	22,488	37,406	22,990	59,366	129,291	43,513	8,580
Interest Expense	-	-	-	-	-	-	-	-	172,805
Principal Payments	-	-	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-	-	-	172,805
Final Average Daily Enrollment	196	178	206	240	240	312	324	311	307
March 30th Budgeted Enrollment	200	190	211	250	250	340	340	314	311

RATIO ANALYSIS

<u>Near Term Indicators</u>										
1a	Current Ratio	6.30	2.03	5.32	3.41	11.75	14.65	23.76	29.16	9.603793963
1b	Unrestricted Days Cash	61.00	41.26	52.20	26.39	134.19	176.49	214.99	239.59	184.78
1c	Enrollment Variance	98%	94%	98%	96%	96%	92%	95%	99%	99%
1d*	Default	No	No	No	No	No	No	No	No	No
<u>Sustainability Indicators</u>										
2a	Total Margin	4%	2%	-1%	-10%	3%	11%	11%	4%	7%
2b	Debt to Asset	0.08	0.70	0.73	0.97	0.60	0.47	0.37	0.36	0.67
2c**	Cash Flow	N/A	(146,769)	111,146	(233,784)	1,467,255	549,260	515,767	517,666	(167,775)
2d	Debt Service Coverage Ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.47

* Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No

NO

SINGLE AUDIT SECTION



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*

Honorable President and
Members of the Board of Trustees
Englewood on the Palisades Charter School
County of Bergen
Englewood, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Englewood on the Palisades Charter School in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise of the Englewood on the Palisades Charter School basic financial statements, and have issued our report thereon dated March 9, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Englewood on the Palisades Charter School's internal control over financial reporting (internal control) as a basis for designing 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 Englewood on the Palisades Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Englewood on the Palisades 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 Charter School's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Englewood on the Palisades Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 Division of Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Respectfully submitted,

Jump, Perry and Company, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

March 9, 2023



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

Honorable President and
Members of the Board of Trustees
Englewood on the Palisades Charter School
County of Bergen
Englewood, New Jersey

Report on Compliance for Each Major Federal and State Program
Opinion on Each Major Federal and State Program

We have audited Englewood on the Palisades Charter School's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Englewood on the Palisades Charter School's major federal and state programs for the year ended June 30, 2022. Englewood on the Palisades Charter School's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Englewood on the Palisades Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the New Jersey OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Englewood on the Palisades 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 federal program. Our audit does not provide a legal determination of Englewood on the Palisades Charter School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Englewood on the Palisades Charter School's federal and 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 Englewood on the Palisades 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*, the Uniform Guidance 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 omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Englewood on the Palisades Charter School's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Englewood on the Palisades 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 Englewood on the Palisades 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 Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Englewood on the Palisades 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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified

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

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

Respectfully submitted,

Jump, Perry and Company L.L.P.
Toms River, NJ



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

March 9, 2023

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Schedule of Expenditures of Federal Awards, Schedule A
For the Year Ended June 30, 2022**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at June 30, 2021</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Deferred Revenue at June 30, 2022</u>	<u>Accounts Receivable at June 30, 2022</u>	<u>Due to Grantor at June 30, 2022</u>
U.S. Department of Education									
Passed-through State Department of Education:									
Title I, Basic Allocation	84.010	7/1/20-6/30/21	\$ 93,772	\$ (20,669)	\$ 27,129	\$ (6,460)	\$ -	\$ -	\$ -
Title I, Basic Allocation	84.010	7/1/21-6/30/22	79,520	-	-	(79,520)	-	(79,520)	-
Title II - Part A	84.367A	7/1/20-6/30/21	10,136	(708)	1,773	(1,065)	-	-	-
Title II - Part A	84.367A	7/1/20-6/30/22	8,127	-	-	(8,127)	-	(8,127)	-
Title IV	84.424A	7/1/20-6/30/21	10,000	(2,532)	2,592	(60)	-	-	-
Title IV	84.424A	7/1/21-6/30/22	10,000	-	-	(10,000)	-	(10,000)	-
Special Education Cluster:									
I.D.E.A. Part B Basic-Regular	84.027A	7/1/20-6/30/21	64,513	(7,945)	7,945	-	-	-	-
I.D.E.A. Part B Basic-Regular	84.027A	7/1/21-6/30/22	71,673	-	-	(71,673)	-	(71,673)	-
I.D.E.A. Part B Preschool-Regular	84.173	7/1/20-8/31/21	804	(804)	804	-	-	-	-
I.D.E.A. Part B Preschool-Regular	84.173	7/1/21-8/31/22	839	-	-	(839)	-	(839)	-
Subtotal of Special Education Cluster				<u>(8,749)</u>	<u>8,749</u>	<u>(72,512)</u>	<u>-</u>	<u>(72,512)</u>	<u>-</u>
Elementary and Secondary Education Cluster:									
ESSER II - CRRSA	84.425D	3/13/20-9/30/23	307,349	-	-	(190,336)	-	(190,336)	-
ESSER II - CR Mental Health	84.425D	3/13/20-9/30/23	45,000	-	-	(16,695)	-	(16,695)	-
CARES Emergency Relief Grant	84.425D	7/1/20-6/30/22	74,943	44,781	-	(44,781)	-	-	-
Coronavirus Relief Fund	84.425D	7/1/20-12/31/20	29,348	29,348	-	-	-	-	29,348
Digital Divide	84.425D	7/16/20-10/31/20	31,264	184	-	-	-	-	184
Subtotal Elementary and Secondary Education Cluster				<u>74,313</u>	<u>-</u>	<u>(251,812)</u>	<u>-</u>	<u>(207,031)</u>	<u>29,532</u>
Total U.S. Department of Education				<u>41,655</u>	<u>40,243</u>	<u>(429,556)</u>	<u>-</u>	<u>(377,190)</u>	<u>29,532</u>
U.S. Department of Agriculture									
Passed-through State Department of									
P-EBT Administrative Cost Grant	10.649	7/1/21-6/30/22	1,242	-	1,242	(1,242)	-	-	-
Food Distribution Program	10.550	7/1/21-6/30/22	16,163	-	16,163	(16,163)	-	-	-
Education:									
Child Nutrition Cluster:									
Emergency Operational Cost Program	10.555	7/1/21-6/30/22	9,975	-	9,975	(9,975)	-	-	-
Summer Food Service Program for Children	10.559	7/1/20-6/30/21	34,571	(3,662)	3,662	-	-	-	-
Summer Food Service Program for Children	10.559	7/1/21-6/30/22	287,824	-	264,891	(287,824)	-	(22,933)	-
Subtotal of Child Nutrition Cluster				<u>(3,662)</u>	<u>278,528</u>	<u>(297,799)</u>	<u>-</u>	<u>(22,933)</u>	<u>-</u>
Total Enterprise (Food Service) Fund				<u>(3,662)</u>	<u>295,933</u>	<u>(315,204)</u>	<u>-</u>	<u>(22,933)</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ 37,993</u>	<u>\$ 336,176</u>	<u>\$ (744,760)</u>	<u>\$ -</u>	<u>\$ (400,123)</u>	<u>\$ 29,532</u>

See accompanying notes to schedules of expenditures.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Year Ended June 30, 2022**

<u>State Grantor/ Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at June 30, 2021</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Deferred Revenue at June 30, 2022</u>	<u>(Accounts Receivable) at June 30, 2022</u>	<u>Due to Grantor at June 30, 2022</u>
New Jersey Department of Education									
General Fund:									
Special Education Categorical Aid	21-495-034-5120-089	7/1/21-6/30/22	146,931	-	146,931	(146,931)	-	-	-
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	4,469,224	(22,749)	22,749	-	-	-	-
Equalization Aid	20-495-034-5120-078	7/1/21-6/30/22	365,333	-	353,777	(365,333)	-	(11,556)	-
Security Aid	21-495-034-5120-084	7/1/21-6/30/22	98,575	-	98,575	(98,575)	-	-	-
Adjustment Aid	20-100-034-5120-085	7/1/21-6/30/22	2,121	-	2,121	(2,121)	-	-	-
On-Behalf TPAF Pension Contribution	21-100-034-5095-002	7/1/21-6/30/22	844,817	-	844,817	(844,817)	-	-	-
On-Behalf TPAF Post-Retirement Medical	21-100-034-5095-001	7/1/21-6/30/22	197,384	-	197,384	(197,384)	-	-	-
On-Behalf TPAF Long-Term Disability Insurance	21-100-034-5095-004	7/1/21-6/30/22	348	-	348	(348)	-	-	-
Reimbursed TPAF Social Security Tax Contribution	20-495-034-5094-003	7/1/20-6/30/21	108,967	(5,302)	5,302	-	-	-	-
Reimbursed TPAF Social Security Tax Contribution	21-495-034-5094-003	7/1/21-6/30/22	170,793	-	72,750	(170,793)	-	(98,043)	-
Total General Fund				<u>(28,051)</u>	<u>1,744,754</u>	<u>(1,826,302)</u>	<u>-</u>	<u>(109,599)</u>	<u>-</u>
Special Revenue Fund:									
SDA Emergency	22-100-034-5120-519	7/1/21-6/30/22	26,469	-	26,469	(26,469)	-	-	-
Total Special Revenue Fund				<u>-</u>	<u>26,469</u>	<u>(26,469)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Enterprise Fund:									
State School Lunch Program	20-100-010-3360-067	7/1/20-6/30/21	1,048	(187)	187	-	-	-	-
State School Lunch Program	21-100-010-3360-067	7/1/20-6/30/21	4,575	-	4,225	(4,575)	-	(350)	-
Total Enterprise Fund				<u>(187)</u>	<u>4,412</u>	<u>(4,575)</u>	<u>-</u>	<u>(350)</u>	<u>-</u>
Total State Expenditures Subject to Single Audit Determination				<u>\$ (28,238)</u>	<u>\$ 1,775,635</u>	<u>\$ (1,857,346)</u>	<u>\$ -</u>	<u>\$ (109,949)</u>	<u>\$ -</u>
State Expenditures Not Subject to Major Program Determination									
General fund:									
On-Behalf TPAF Pension Contribution	21-100-034-5095-002	7/1/21-6/30/22	844,817	-	844,817	(844,817)	-	-	-
On-Behalf TPAF Post-Retirement Medical	21-100-034-5095-001	7/1/21-6/30/22	197,384	-	197,384	(197,384)	-	-	-
On-Behalf TPAF Long-Term Disability Insurance	21-100-034-5095-004	7/1/21-6/30/22	348	-	348	(348)	-	-	-
Total State Expenditures Not Subject to Major Program Determination				<u>-</u>	<u>1,042,549</u>	<u>(1,042,549)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures of State Awards Subject to Major Program Determination				<u>\$ (28,238)</u>	<u>\$ 733,086</u>	<u>\$ (814,797)</u>	<u>\$ -</u>	<u>\$ (109,949)</u>	<u>\$ -</u>

See accompanying notes to schedules of expenditures.

Englewood on the Palisades Charter School

Notes to the Schedules of Awards and Financial Assistance

June 30, 2022

1. General

The accompanying schedules of expenditures of awards present the activity of all federal and state awards of the Englewood on the Palisades Charter School. The Charter School is defined in Note 1 to the Charter School's general purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 2 to the Charter School's basic financial statements.

3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

Englewood on the Palisades Charter School

Notes to the Schedules of Awards and Financial Assistance (continued)

June 30, 2022

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$844,817) for the general fund and none for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 981,485	\$ 981,485
Special Revenue Fund	429,556	26,469	456,025
Food Service Fund	<u>315,204</u>	<u>4,575</u>	<u>319,779</u>
Total awards and financial assistance	<u>\$ 744,760</u>	<u>\$ 1,012,529</u>	<u>\$ 1,757,289</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

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2022.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 15-08.

6. Indirect Costs

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

Englewood on the Palisades Charter School

Schedule of Findings and Questioned Costs

June 30, 2022

Section I - Summary of Auditor's ResultsFinancial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? _____ yes X no
- 2) Significant deficiencies identified
that are not considered to be
material weaknesses? _____ yes X none reported

Noncompliance material to general-purpose
financial statements noted? _____ yes X no

Federal Awards Section - N/A

Internal Control over major programs:

- 1) Material weakness(es) identified? _____ yes _____ no
- 2) Significant deficiencies identified
that are not considered to be
material weaknesses? _____ yes _____ none reported

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are
required to be reported in accordance
with 2 CFR section .516(a) of Circular the Uniform Guidance? _____ yes _____ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
----------------	------------------------------------

Dollar threshold used to distinguish between type A and type B programs: N/A

Auditee qualified as low-risk auditee? _____ yes _____ no

Englewood on the Palisades Charter School
 Schedule of Findings and Questioned Costs (continued)
 June 30, 2022

Section I - Summary of Auditor's Results (continued)

State Awards Section

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

Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued on compliance for major programs: Unmodified Opinion

Internal Control over major programs:

- | | | | |
|----|--|-----------------|-------------------|
| 1) | Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| 2) | Significant deficiencies identified that are not considered to be material weaknesses?
reported | <u> </u> yes | <u> X </u> none |

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08? yes X no

Identification of major programs:

GMIS Number(s)	Name of State Program
State Aid-Public Cluster	
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-085	Adjustment Aid

Englewood on the Palisades Charter School
Schedule of Findings and Questioned Costs (continued)

June 30, 2022

Section II - Financial Statements Findings - N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - N/A

Englewood on the Palisades Charter School

Summary Schedule of Prior Audit Findings

June 30, 2022

Summary Schedule of Prior Audit Findings - N/A