



Greater Brunswick
Charter School



***Greater Brunswick Charter
School***

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2018**

PREPARED BY

GREATER BRUNSWICK CHARTER SCHOOL

GREATER BRUNSWICK CHARTER SCHOOL

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February 7, 2019

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

Dear Commissioner:

We hereby submit the Comprehensive Annual Financial Report of the Greater Brunswick Charter School (the “Charter School” or “GBCS”) for the fiscal year ended June 30, 2018.

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

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

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

New Jersey Department of Education
The Commissioner
Page 2

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

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

1) Reporting Entity and Its Services

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

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

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

By the end of 2017-2018 school year, the Charter School had a student enrollment of 393.

2) Economic Outlook

The Greater Brunswick Charter School is located in the City of New Brunswick, (the City), in the County of Middlesex within the State of New Jersey. The City of New Brunswick is experiencing a period of normalization after considerable development and expansion with its revitalization program. The City of New Brunswick continues to be a leader in municipal growth and revitalization. The City has supported the school district and charter schools at a high funding level for many years, and the taxation level continues to be above the state averages. Due to the state's dire economic condition there may continue to be increases in the near future concerning local funding.

2) Economic Outlook - *continued*

The Greater Brunswick Charter School receives a nominal 90% of the per pupil funding from each of its sending districts, as determined by the New Jersey Department of Education-in fact, given the method of calculating that aid (which excludes facilities aid and Abbott aid), the school receives far less than 90%. This reduced level of funding requires the Charter School to find economies where possible, and to rely on participation from its membership to perform tasks that support the School. The region of residence encompasses three districts: Edison, Highland Park and New Brunswick, which provide a large pool of potential students. The region is growing, and enrollments in all districts are expected to increase. The large number of resident students, and the School's ability to draw students from outside the region of residence, should ensure adequate enrollment to meet projected growth. However, the financial stability of charter schools throughout the State of New Jersey is in jeopardy. With per pupil funding levels rising slowly or remaining flat over the past several years and costs - particularly health benefits, facility costs, and salaries – increasing substantially, charter schools, including GBCS, face tightening budgets and potential revenue shortfalls. The continued economic viability of GBCS will depend on careful planning and management, fundraising outside the traditional revenue sources, and significant changes in the public policy that determines the amount and type of funding that charter schools receive.

4) Internal Accounting Controls

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

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

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

5) Budgetary Controls

In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with the statutory requirements of charter school budgets. Annual appropriated budgets are adopted for general and special revenue funds. The final budget amount, as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either canceled or are included as re-appropriations of fund balance in the subsequent year.

During the 2017-2018 fiscal school, the Charter School continued its efforts to improve its audit status and operational processes and procedures, correcting deficiencies identified in previous audits and reviews and on maintaining general compliance with sound fiscal practices.

6) **Accounting System and Report**

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

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

As demonstrated by the various statements and schedules included in the financial section of this report, the Charter School continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund for the fiscal year ended June 30, 2018 fiscal year:

**Summary of the General Fund, Special Revenue Fund,
Capital Projects Fund and Debt Service Fund**

Revenue	2018	2017	Increase/ (decrease)	% Change
Local sources	\$ 1,752,809	\$ 1,719,876	\$ 32,933	1.91%
State sources	4,803,331	4,814,628	(11,297)	-0.23%
Federal sources	368,310	348,285	20,025	5.75%
	<u>\$ 6,924,450</u>	<u>\$ 6,882,789</u>	<u>\$ 41,661</u>	<u>0.61%</u>

The Charter School experienced a small increase in revenue of about 0.61% which is consistent with the no change in enrollment level.

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

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2018:

**Summary of the General Fund, Special Revenue Fund,
Capital Projects Fund and Debt Service Fund**

Expenditures	2018	2017	Increase/ (decrease)	% Change
Instruction	\$ 2,719,136	\$ 2,813,312	\$ (94,176)	-3.35%
Administrative	2,674,097	2,670,172	3,925	0.15%
Support	870,170	839,755	30,415	3.62%
Capital outlay	-	810	(810)	-100.00%
Debt service	546,485	546,047	438	0.08%
	<u>\$ 6,809,888</u>	<u>\$ 6,870,096</u>	<u>\$ (60,646)</u>	<u>-0.88%</u>

The Charter School’s expenditures decreased by about 0.88% over last year’s – a small decrease because enrollment was at the same level as last year’s.

8) **Cash Management**

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

9) **Risk Management**

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

10) Other Information

Independent Audit

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

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

The 2017-2018 school-year was one of great strides in terms of academic achievement at the Greater Brunswick Charter School. In addition, it continues to enjoy a fairly reasonable financial position through careful stewardship of its resources. The next school year promises to be one that builds upon these successes with additional progress in all areas of the School’s operations, and particularly in the area of student achievement.

11) Acknowledgments

A note of appreciation is extended to the Finance Committee of the Charter School for their ongoing support and commitment to fiscal integrity and to the Greater Brunswick Charter School Board of Trustees for their selfless dedication to improving student achievement.

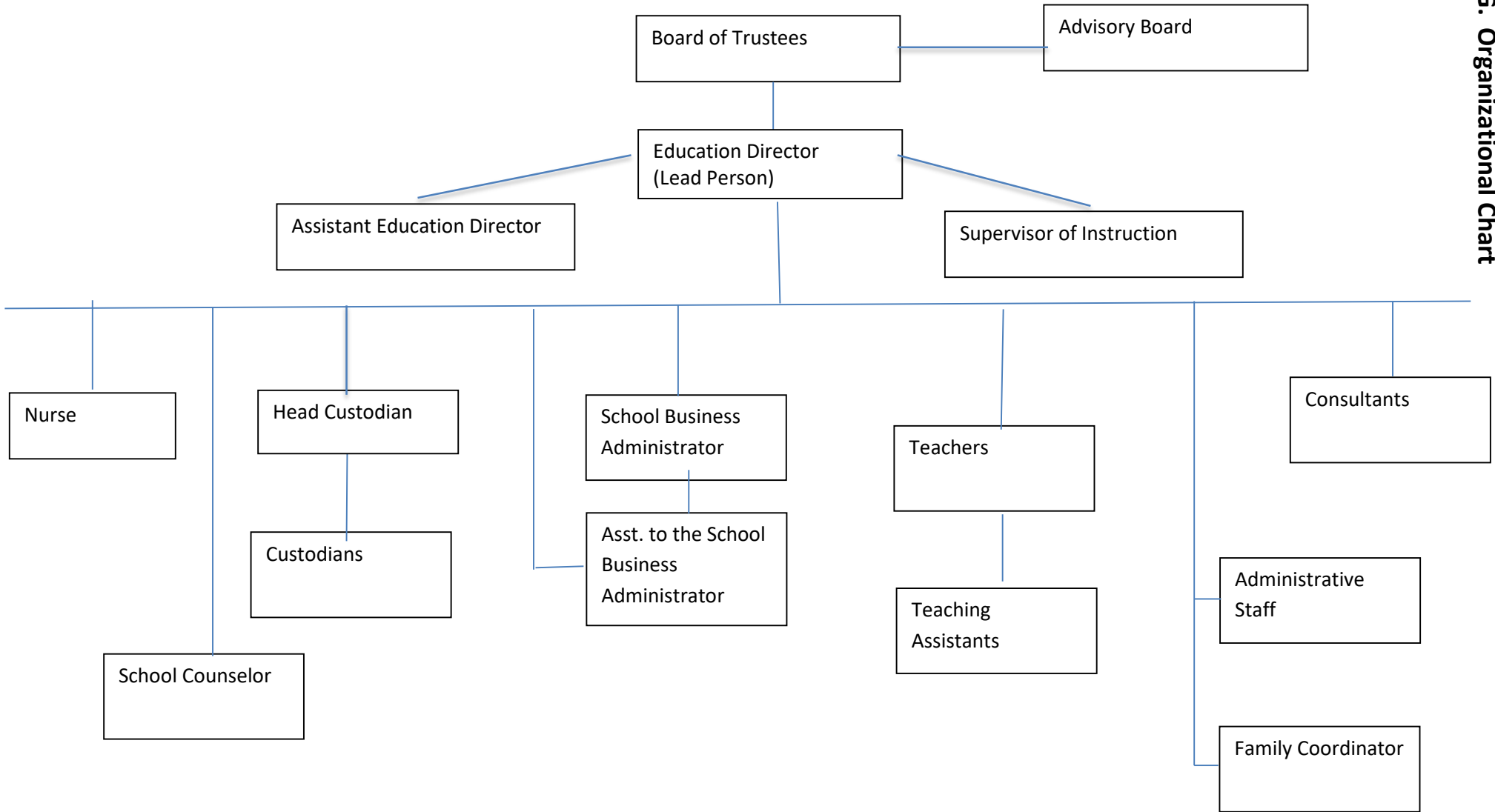
A special note of appreciation is extended to the Business Office and to all of the business operations staff members for their untiring efforts to improve processes, procedures and audit outcomes. Their contributions in support of the students and staff of the Greater Brunswick Charter School are truly noteworthy. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial, accounting and administrative staff.

Respectively submitted

Michael Falkowski

Michael Falkowski
Board Secretary/School Business Administrator

Appendix G. 6635 Greater Brunswick Charter School - Organizational Chart



GREATER BRUNSWICK CHARTER SCHOOL

Roster of Trustees and Officers

June 30, 2018

Members of Board of Trustees

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Susan Jackson	Chairperson	June 2021
Molly Larobina	Vice Chairperson	June 2018
Anju Thomas	Trustee	June 2020
Claudia Avarado	Trustee	June 2019
Evan Gentry	Trustee	June 2019
Sean Hewitt	Trustee	June 2019
Mariu Reynoso	Trustee	June 2019
Shamara Gatling-Davila	Trustee	June 2020

Two Teacher Representatives in Rotating Schedule

Administration

Vanessa Jones, Education Director

Michael Falkowski, Business Administrator/Board Secretary

GREATER BRUNSWICK CHARTER SCHOOL

Consultants and Advisor

Independent Auditors

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

Attorney

Johnston Law Firm LLC
75 Midland Avenue Suite 1
Montclair, NJ 07042

Official Depository

PNC Bank
New Brunswick, New Jersey

Financial Section

Olugbenga Olabintan

Certified Public Accountant/Consultant

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Independent Auditors' Report

The Honorable President and
Members of the Board of Trustees
Greater Brunswick Charter School
New Brunswick, New Jersey
County of Middlesex

Report on the Financial Statements

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 the Greater Brunswick Charter School, in the County of Middlesex, State of New Jersey (the "Charter School") as of and for the fiscal year ended June 30, 2018, 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 *and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter School as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows, thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8 to the basic financial statements, the Charter School implemented Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* during the fiscal year ended June 30, 2018. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School’s basic financial statements. The accompanying supplementary information, which consists of the introductory section, combining and individual nonmajor fund financial statements, financial schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the provisions of New Jersey Department of the Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statement, schedule of expenditures of federal awards and schedule of state financial assistance are the responsibility of management and were derived from and relates 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 information is fairly presented, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, financial schedules 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 November 7, 2018 on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control over financial reporting and compliance.

Olugbenga Olabintan, CPA

February 7, 2019
Newark, New Jersey

OLUGBENGA OLABINTAN
Certified Public Accountant/Consultant



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

Required Supplementary Information

Part I

Management's Discussion and Analysis

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

GREATER BRUNSWICK CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2018
(Unaudited)

Introduction

This section of the Greater Brunswick Charter School's annual financial report presents our discussion and analysis of the Charter School's financial performance and provides an overview of the Charter School's financial activities for the fiscal year ended June 30, 2018. It should be read in conjunction with the transmittal letter at the front of this report and the Charter School's financial statements, which follow this section.

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

Financial Highlights

Key financial highlights for fiscal year 2018 are as follows:

- Net position of governmental activities ended the fiscal year with \$(1,290,668). Net position of business-type activities, which represent food service operations ended the fiscal year with \$32,797.
- General revenues accounted for \$6,546,637 in revenue or 90 percent of total revenues of \$7,289,360. Program specific revenues, in the form of charges for services, grants, and contributions accounted for \$742,723 or 10 percent of total revenues.
- The Charter School had \$7,032,160 in expenses related to governmental activities; \$368,310 of these expenses is offset by operating grants and contributions. General revenues (primarily State aid) of \$6,530,978 helped to provide for the balance of these programs.
- The General Fund reported fund surplus at June 30, 2018, of \$779,777.

GREATER BRUNSWICK CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2018
(Unaudited)

Using the Basic Financial Statements

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

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

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

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

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

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

Reporting the Charter School as a Whole

Statement of Net Position and Statements of Activities

While this report contains the fund used by the Charter School to provide programs and activities, the view of the Charter School as a whole looks at all financial transactions and asks the question, "how did we do financially during fiscal year 2018?" The statements of Net Position and the Statement of Activities answer this question. These Statements include all the Charter School's assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

GREATER BRUNSWICK CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2018
(Unaudited)

Statement of Net Position and Statement of Activities-continued

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

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

Business-Type Activity – Services are provided on a charge for goods or services or reimbursement basis to recover the expenses of the goods or services provided. The food service operations/after care programs enterprise fund is reported as a business activity.

Reporting the Charter School's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the Charter School's major funds-not the Charter School as a whole. Funds are accounting devices that the Charter School uses to keep track of a multitude of financial transactions. The Charter School's only major governmental fund is the General Fund.

Governmental Funds

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

GREATER BRUNSWICK CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2018
(Unaudited)

Enterprise Fund

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

The Charter School as a Whole

The perspective of the Statement of Net Position is of the Charter School as a whole. Net position may serve over time as useful indicator of a government's financial position. In the case of the Charter School, liabilities exceeded assets by \$1,257,871 at the close of 2018. The following table provides a summary of net position relating to the Charter School's governmental and business type activities:

	Governmental Activities		Business Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets and deferred outflows of resources						
Current assets	\$ 1,985,021	\$ 1,665,293	\$ 102,469	\$ 70,692	\$ 2,087,490	\$ 1,735,985
Capital assets, net	7,388,975	7,627,138	-	-	7,388,975	7,627,138
Deferred outflows of resources	814,769	1,245,814	-	-	814,769	1,245,814
Total assets and deferred outflows of resources	<u>10,188,765</u>	<u>10,538,245</u>	<u>102,469</u>	<u>70,692</u>	<u>10,291,234</u>	<u>10,608,937</u>
Liabilities and deferred outflows of resources:						
Current liabilities	650,527	424,703	69,672	69,673	720,199	494,376
Long term liabilities	9,974,355	11,001,452	-	-	9,974,355	11,001,452
Deferred outflows of resources	854,551	269,886	-	-	854,551	269,886
Total liabilities and deferred inflows of resources	<u>11,479,433</u>	<u>11,696,041</u>	<u>69,672</u>	<u>69,673</u>	<u>11,549,105</u>	<u>11,765,714</u>
Net position						
Invested in						
Capital assets						
(net of related debt)	(363,941)	(220,362)	-	-	(363,941)	(220,362)
Restricted for debt service	553,921	550,294	-	-	553,921	550,294
Restricted for capital projects	100,379	94,503	-	-	100,379	94,503
Other purposes	-	-	-	-	-	-
Unrestricted	(1,581,027)	(1,582,231)	32,797	1,019	(1,548,230)	(1,581,212)
Total net position	<u>\$ (1,290,668)</u>	<u>\$ (1,157,796)</u>	<u>\$ 32,797</u>	<u>\$ 1,019</u>	<u>\$ (1,257,871)</u>	<u>\$ (1,156,777)</u>

GREATER BRUNSWICK CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2018
(Unaudited)

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

The total net position of the Charter School decreased by \$101,094 during the current fiscal year ended June 30, 2018. The majority of the decrease is attributable to a deficit of 132,872 in the Governmental Activities. Operating grants and contributions increased by 6 percent.

The table that follows reflects the change in net position for fiscal year 2018.

	Governmental Activities		Business Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charge for services			\$76,457	\$80,791	\$76,457	\$80,791
Operating grants and contributions	\$368,310	\$379,290	297,956	296,241	666,266	675,531
Total program revenues	<u>368,310</u>	<u>379,290</u>	<u>374,413</u>	<u>377,032</u>	<u>742,723</u>	<u>756,322</u>
General revenues:						
Local aid	1,676,285	1,615,566	-	-	1,676,285	1,615,566
Federal and state aid	4,803,331	4,814,628	-	-	4,803,331	4,814,628
Miscellaneous	67,021	72,925	-	-	67,021	72,925
Transfers	(15,659)	-	15,659	-	-	-
Total general revenues	<u>6,530,978</u>	<u>6,503,119</u>	<u>15,659</u>	<u>-</u>	<u>6,546,637</u>	<u>6,503,119</u>
Total revenues	<u>6,899,288</u>	<u>6,882,409</u>	<u>390,072</u>	<u>377,032</u>	<u>7,289,360</u>	<u>7,259,441</u>
Expenses:						
Instructions	2,719,136	2,813,312	-	-	2,719,136	2,813,312
Administrative & support services	3,621,315	3,775,912	-	-	3,621,315	3,775,912
Debt service - interest	451,902	456,464	-	-	451,902	456,464
Unallocated depreciation	239,807	246,522	-	-	239,807	246,522
Food service	-	-	299,122	318,646	299,122	318,646
After school programs	-	-	59,172	74,960	59,172	74,960
Total expenses	<u>7,032,160</u>	<u>7,292,210</u>	<u>358,294</u>	<u>393,606</u>	<u>7,390,454</u>	<u>7,685,816</u>
Change in net position	<u>\$ (132,872)</u>	<u>\$ (409,801)</u>	<u>\$ 31,778</u>	<u>\$ (16,574)</u>	<u>\$ (101,094)</u>	<u>\$ (426,375)</u>

Governmental Activities

The Statement of Activities reflects the cost of program services and the charges for services and operating grants and contributions offsetting those services. The table below, for government activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by unrestricted state entitlements for the fiscal year ended June 30, 2018.

GREATER BRUNSWICK CHARTER SCHOOL
Management's Discussion and Analysis
Year Ended June 30, 2018
(Unaudited)

Governmental Activities - *continued*

	Total Cost of Services	Net Cost of Services
Instruction	\$ 2,719,136	\$ 2,571,768
Administrative & support services	3,621,315	3,400,373
Debt service	451,902	451,902
Unallocated depreciation	239,807	239,807
Total Expenses	\$ 7,032,160	\$ 6,663,850

Business-Type Activity

The business-type activity of the Charter School consists of the food service operation and the after-school programs. These programs had revenues of \$374,413 (including a board contribution of \$15,659) and operating expenses of \$358,294 for fiscal year 2018. The Charter School intended to have food services be self-operating without assistance from the General Fund.

The Charter School's Funds

The Charter School's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues of \$6,924,450 and expenditures of \$6,809,888. The positive change in fund balance for the year was \$114,562. The cumulative fund balance from the prior years was \$1,335,174.

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

During the course of fiscal 2018, the Charter School amended its General Fund budget as needed. The Charter School uses state-aid and other revenue-based budget. The budgeting systems are designed to tightly control total budget, but provide flexibility for Charter School's management teams.

For the General Fund, final budgeted revenues were \$5,827,692, which included a local tax levy of \$1,676,285. Expenditures and other financing uses were budgeted at \$5,303,822. The Charter School anticipated budgeted fund balance of 667,762 in its 2017-2018 budget year.

GREATER BRUNSWICK CHARTER SCHOOL
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The State of New Jersey reimbursed the Charter School \$163,114 during the year ended June 30, 2018 for the employer's share of social security contributions for TPAF members. Also, the State paid \$488,810 into the TPAF pension representing on-behalf employer's portion of the TPAF Pension System Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long Term Disability Insurance Premium Contributions for the Charter School. The unbudgeted amounts were included in both revenues and expenditures.

Capital Assets

At the end of fiscal year 2018, the Charter School had \$7,388,975 invested in capital assets in its governmental activities.

The Charter School's 2018-2019 budget does not anticipate any spending on capital projects.

Long-term debt

At June 30, 2018, the Charter School had \$7,752,916 in long-term debt (\$99,583 of which was due within a year) – Serial Bonds issued in 2014. The Charter School had \$2,321,022 and \$3,248,536 at June 30, 2018 and 2017, respectively, in net pension liability regarding the Public Employees Retirement System. More detailed information about the Charter School's long term obligations is presented in the notes to the financial statements.

Economic Factors and Next Year's Budget

The State of New Jersey and indeed the entire United States continue to face serious budgetary constraints and a result of the sharp downturn in the economy. These impact the amount of state and federal aids allocated to charter schools. This reality was taken into account when adopting the general fund budget for 2018-2019. Nothing was done to compromise the quality of the programs in place in our Charter School during the regular instructional day. The budget was prepared to ensure that all students have the textbooks, materials, supplies, equipment and programs they need to meet New Jersey's Core Curriculum Content Standards. The budget was adopted with a redirection of funds to maintain the quality of the regular school day.

Contacting the Charter School's Financial Management

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

GREATER BRUNSWICK CHARTER SCHOOL
Business Office, 429 Joyce Kilmer Avenue
New Brunswick, New Jersey 07017
Tel: (732) 448-1052* Fax: (732) 448-1055

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the Charter School's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the Year Ended June 30, 2018.

Statement of Net Position

June 30, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 1,223,063	\$ 76,120	\$ 1,299,183
Restricted cash and cash equivalents	25,000	-	25,000
Accounts receivable	566,524	26,349	592,873
Other current assets	-	-	-
Interfund receivables	170,434	-	170,434
Capital assets (net of accum deprec of \$2,233,196)	7,388,975	-	7,388,975
Total assets	<u>9,373,996</u>	<u>102,469</u>	<u>9,476,465</u>
Deferred outflows of resources			
Pension deferred outflows	814,769	-	814,769
Total assets and deferred outflows of resources	<u>\$ 10,188,765</u>	<u>\$ 102,469</u>	<u>\$ 10,291,234</u>
Liabilities			
Accounts payable	\$ 477,911	\$ -	\$ 477,911
Intergovernmental payables - state	42,033	-	42,033
Interfunds payables	-	69,672	69,672
Deferred revenue	31,000	-	31,000
Current portion of long term obligations	99,583	-	99,583
Noncurrent portion of long term obligations	7,653,333	-	7,653,333
Net pension liability	2,321,022	-	2,321,022
Total liabilities	<u>10,624,882</u>	<u>69,672</u>	<u>10,694,554</u>
Deferred inflows of resources			
Pension deferred inflows	854,551	-	854,551
Total liabilities and deferred inflows of resources	<u>11,479,433</u>	<u>69,672</u>	<u>11,549,105</u>
Net position			
Invested in capital assets net of related debt	(363,941)	-	(363,941)
Restricted for debt service	553,921	-	553,921
Restricted for capital projects	100,379	-	100,379
Unrestricted, undesignated	(1,581,027)	32,797	(1,548,230)
Total net position	<u>(1,290,668)</u>	<u>32,797</u>	<u>(1,257,871)</u>
Total liabilities, deferred inflows of resources & net position	<u>\$ 10,188,765</u>	<u>\$ 102,469</u>	<u>\$ 10,291,234</u>

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

GREATER BRUNSWICK CHARTER SCHOOL

A-2

Statement of Activities

Year ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	\$ 2,719,136	\$ -	\$ 147,368	\$ (2,571,768)	\$ -	\$ (2,571,768)
Administrative & Support services:						
General administration	2,751,145	-	-	(2,751,145)	-	(2,751,145)
Support services	870,170	-	220,942	(649,228)	-	(649,228)
Capital outlay	-	-	-	-	-	-
Debt service:						
Interest	451,902	-	-	(451,902)	-	(451,902)
Unallocated depreciation	239,807	-	-	(239,807)	-	(239,807)
Total governmental activities	<u>7,032,160</u>	<u>-</u>	<u>368,310</u>	<u>(6,663,850)</u>	<u>-</u>	<u>(6,663,850)</u>
Business-type activities:						
Food services	299,122	33,196	292,234	-	26,308	26,308
After care programs	59,172	43,261	5,722	-	(10,189)	(10,189)
Total business-type activities	<u>358,294</u>	<u>76,457</u>	<u>297,956</u>	<u>-</u>	<u>16,119</u>	<u>16,119</u>
Total primary government	<u>\$ 7,390,454</u>	<u>\$ 76,457</u>	<u>\$ 666,266</u>	<u>(6,663,850)</u>	<u>16,119</u>	<u>(6,647,731)</u>
General revenues and transfers:						
Local sources				1,676,285	-	1,676,285
Federal and state sources				4,803,331	-	4,803,331
Miscellaneous				67,021	-	67,021
Transfers				(15,659)	15,659	-
Total general revenues and transfers				<u>6,530,978</u>	<u>15,659</u>	<u>6,546,637</u>
Change in net position				(132,872)	31,778	(101,094)
Net position - beginning				(1,157,796)	1,019	(1,156,777)
Net position - ending				<u>\$ (1,290,668)</u>	<u>\$ 32,797</u>	<u>\$ (1,257,871)</u>

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

Funds Financial Statements

Governmental Funds

GREATER BRUNSWICK CHARTER SCHOOL
Governmental Funds

B-1

Balance Sheet

June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Totals Governmental Funds
Assets					
Cash and cash equivalents	\$ 456,303	\$ 31,000	\$ 181,839	\$ 553,921	\$ 1,223,063
Restricted cash and cash equivalents	25,000	-	-	-	25,000
Accounts receivable:	-	-	-	-	-
State	11,964	-	-	-	11,964
Federal	20,646	-	-	-	20,646
Other	533,914	-	-	-	533,914
Other current assets	-	-	-	-	-
Interfund receivable	251,894	-	-	-	251,894
Total assets	<u>\$ 1,299,721</u>	<u>\$ 31,000</u>	<u>\$ 181,839</u>	<u>\$ 553,921</u>	<u>\$ 2,066,481</u>
Liabilities and Fund Balances					
Interfund accounts payables	\$ -	\$ -	\$ 81,460	\$ -	\$ 81,460
Accounts payable	477,911	-	-	-	477,911
Intergovernmental payables - federal	-	-	-	-	-
Intergovernmental payables - state	42,033	-	-	-	42,033
Deferred revenue	-	31,000	-	-	31,000
Total liabilities	<u>519,944</u>	<u>31,000</u>	<u>81,460</u>	<u>-</u>	<u>632,404</u>
Fund balances:					
Unreserved:					
Undesignated	779,777	-	100,379	553,921	1,434,077
Total fund balances	<u>779,777</u>	<u>-</u>	<u>100,379</u>	<u>553,921</u>	<u>1,434,077</u>
Total liabilities and fund balances	<u>\$ 1,299,721</u>	<u>\$ 31,000</u>	<u>\$ 181,839</u>	<u>\$ 553,921</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.					
Cost of capital assets	\$ 9,622,171				
Accumulated depreciation	<u>(2,233,196)</u>				
	<u>\$ 7,388,975</u>				7,388,975
Long-term liabilities, including capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.					
					(7,752,916)
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 7)					
					814,769
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 7)					
					(854,551)
Long-term liabilities, including net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)					
					(2,321,022)
Net position of governmental activities - A-1					<u>\$ (1,290,668)</u>

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

GREATER BRUNSWICK CHARTER SCHOOL
Governmental Funds

B-2

Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Revenues:					
Local sources:					
Local tax levy	\$ 1,676,285	\$ -	\$ -	\$ -	\$ 1,676,285
Miscellaneous	67,021	-	5,876	3,627	76,524
Total revenues - local sources	<u>1,743,306</u>	<u>-</u>	<u>5,876</u>	<u>3,627</u>	<u>1,752,809</u>
Federal sources	-	368,310	-	-	368,310
State sources	4,151,407	-	-	-	4,151,407
Reimbursed TPAF-Social Security (non-budgeted)	163,114	-	-	-	163,114
TPAF pension, post retirement medical and long-term disability premium benefits on-behalf payments (non-budgeted)	488,810	-	-	-	488,810
Total revenues	<u>6,546,637</u>	<u>368,310</u>	<u>5,876</u>	<u>3,627</u>	<u>6,924,450</u>
Current expense:					
Instruction	2,571,768	147,368	-	-	2,719,136
Administrative	2,022,173	-	-	-	2,022,173
Support services	649,228	220,942	-	-	870,170
Capital outlay	-	-	-	-	-
Reimbursed and on-behalf payments:					
Reimbursed TPAF-Social Security (non-budgeted)	163,114	-	-	-	163,114
TPAF pension, post retirement medical and long-term disability premium benefits on-behalf payments (non-budgeted)	488,810	-	-	-	488,810
Debt service:					
Principal	-	-	-	94,583	94,583
Interest	-	-	-	451,902	451,902
Total expenditures	<u>5,895,093</u>	<u>368,310</u>	<u>-</u>	<u>546,485</u>	<u>6,809,888</u>
Excess (deficiency) of revenues over (under) expenditures	651,544	-	5,876	(542,858)	114,562
Other financing sources:					
Transfer to cover food deficit	(15,659)	-	-	-	(15,659)
Transfer to capital projects fund	-	-	-	-	-
Transfer to debt service fund - principal	(94,583)	-	-	94,583	-
Transfer to debt service fund - interest	(451,902)	-	-	451,902	-
	<u>(562,144)</u>	<u>-</u>	<u>-</u>	<u>546,485</u>	<u>(15,659)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	89,400	-	5,876	3,627	98,903
Fund balances, beginning of year	<u>690,377</u>	<u>-</u>	<u>94,503</u>	<u>550,294</u>	<u>1,335,174</u>
Fund balances, end of year	<u>\$ 779,777</u>	<u>\$ -</u>	<u>\$ 100,379</u>	<u>\$ 553,921</u>	<u>\$ 1,434,077</u>

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

GREATER BRUNSWICK CHARTER SCHOOL
Reconciliation of the Statement of Revenues, Expenditures
And Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year ended June 30, 2018

B-3

Total net change in fund balances - governmental funds (B-2) \$ 98,903

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

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

	Depreciation expense	\$ (239,807)	
	Capital outlays	-	
		(239,807)	(239,807)

Repayment of long term loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and it is not reported in the Statement of Activities.

	Repayment of long term loan principal	94,583	94,583
--	---------------------------------------	--------	--------

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

(86,551)

Change in net position of governmental activities (A-2)	\$ (132,872)
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See independent auditor's report and accompanying notes to basic financial statements.

Proprietary Funds

**GREATER BRUNSWICK CHARTER SCHOOL
Proprietary Funds**

B-4

Statement of Net Position

June 30, 2018

Assets	
Current assets:	
Cash and cash equivalents	\$ 76,120
Accounts receivable:	-
Federal	26,072
State	277
Other	-
Interfunds receivable	-
Total current assets	<u>\$ 102,469</u>
Liabilities	
Current liabilities:	
Interfunds payable	\$ 69,672
Accounts payable	-
Total current liabilities	<u>\$ 69,672</u>
Net position	
Unrestricted	32,797
Total net position	<u><u>\$ 32,797</u></u>

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

GREATER BRUNSWICK CHARTER SCHOOL
Proprietary Funds

B-5

Statement of Revenues, Expenditures and Changes in Net Assets

Year ended June 30, 2018

Operating revenues:	
Charges for services:	
Daily sales - reimbursable program	\$ 76,457
Daily sales - non-reimbursable program	-
Miscellaneous revenue	-
Total Operating revenues	<u>76,457</u>
Operating expenses:	
Cost of sales - reimbursable program	243,286
Cost of sales - non-reimbursable program	-
Salaries	110,402
Employee benefits	-
Professional /technical service	2,500
Supplies and materials	2,106
Depreciation	-
Miscellaneous	-
Total operating expenses	<u>358,294</u>
Operating income/(loss)	<u>(281,837)</u>
Nonoperating revenues:	
State sources:	
State school lunch program	3,164
State school breakfast program	-
Federal sources:	
National school lunch program	167,501
National school breakfast program	118,082
After school snacks program	5,722
Healthy, Hunger-Free Kids Act	3,487
Total nonoperating revenues	<u>297,956</u>
Net income/(loss) before contributions & transfers	16,119
Other financing sources:	
Transfers within fund	
Transfer in/(out) - board contribution	15,659
	<u>15,659</u>
Change in net position	31,778
Total net position-beginning of year	<u>1,019</u>
Total net position-end of year	<u>\$ 32,797</u>

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

**GREATER BRUNSWICK CHARTER SCHOOL
Proprietary Fund**

B-6

Statement of Cash Flows

Year ended June 30, 2018

Cash flows from operating activities

Operating loss	\$ (281,837)
Adjustment to reconcile operating loss to net cash used in operating activities:	
Changes in assets and liabilities:	
Accounts receivable	2,085
Due to/from general fund	(1)
Accounts payable	-
Net cash used in operating activities	<u>(279,753)</u>

Cash flows from noncapital financing activities:

Cash received from state reimbursements	3,164
Cash received from federal reimbursements	294,792
Transfers within fund	-
Operating subsidies and transfers from other funds	15,659
Net cash provided by noncapital financing activities	<u>313,615</u>

Cash flows from investing activities

Net change in cash and cash equivalents	33,862
Cash and cash equivalents, beginning	42,258
Cash and cash equivalents, ending	<u>\$ 76,120</u>

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

Fiduciary Funds

GREATER BRUNSWICK CHARTER SCHOOL
Fiduciary Funds

B-7

Statement of Fiduciary Net Position

June 30, 2018

	Unemployment Compensation	Student Activity Fund	Agency Fund Payroll	Total
Assets				
Cash and cash equivalents	\$ -	\$ 58,424	\$ 202,595	\$ 261,019
Other accounts receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	\$ -	\$ 58,424	\$ 202,595	\$ 261,019
Liabilities and net position				
Liabilities:				
Payroll deductions and withholdings	\$ -	\$ -	\$ 101,833	\$ 101,833
Interfund payables	-	-	100,762	100,762
Account payable - due to students group	-	58,424	-	58,424
Total liabilities	-	\$ 58,424	\$ 202,595	\$ 261,019
Net position	-			
Total liabilities and net position	\$ -			

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

GREATER BRUNSWICK CHARTER SCHOOL
Fiduciary Funds

B-8

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2018

	<u>Unemployment Compensation</u>
Additions:	
Deductions from employees' salaries	\$ 10,601
Board contributions	22,753
Investment earnings - interest	-
Total revenues	<u>33,354</u>
Expenditures:	
Unemployment claims	<u>33,354</u>
Total expenditures	<u>33,354</u>
Change in net position	-
Net position, beginning	<u>-</u>
Net position, ending	<u><u>\$ -</u></u>

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

Notes to Basic Financial Statements

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

1 Description of the Charter School and Reporting Entity

Greater Brunswick Charter School (the “Charter School” was incorporated in the State of New Jersey in January 1998 as a non-for-profit corporation for the purpose of operating and maintaining a public school under a charter granted by the State of New Jersey, which promotes comprehensive educational reform by infusing innovation into the public education system. It is an instrumentality of the State of New Jersey, established to function as an education institution. The Charter School’s Board of Trustees (the Board) is responsible for the fiscal control of the Charter School. A Principal/Chief School Administrator is appointed by Board and is responsible for the administrative control of the Charter School. Under the existing the statutes, the Charter School’s duties and powers include, but not limited to the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

The primary criterion for including activities within the Charter School’s reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the Charter School. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, and ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the Charter School over which the Board exercises operating control. Based on the aforementioned criteria, the Charter School has no component units to be included in the reporting entity. Further, the Charter School is not includable in any other reporting entity on the basis of such criteria.

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

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

2 Summary of Significant Accounting Policies

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

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

The Charter School also applies Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise fund unless they conflict with or contradict GASB pronouncements. The most significant of the Charter School's accounting policies are described below:

A Basis of Presentation

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

Charter School Government-wide Financial Statements

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

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

2 Summary of Significant Accounting Policies - *continued*

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

Fund Financial Statements

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

B Fund Accounting

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

Governmental Funds

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

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

2 Summary of Significant Accounting Policies - *continued*

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

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Proprietary Funds

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

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

2 Summary of Significant Accounting Policies - *continued*

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

Fiduciary Funds

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

Trust Funds - Expendable Trust Funds (unemployment compensation) are accounted for in essentially the same manner as the governmental funds. The unemployment compensation trust fund is used to account for contributions from employees and the employer (the Charter School) and interest earned on the balance as well as payments to the State for reimbursements of unemployment claims.

Agency Funds – Agency funds (*Payroll, Health Benefits and Student Activity Fund*) are used to account for the assets that the Charter School holds on behalf of others as their agent. Agency funds are custodial in nature and do not involved measurement of results of operations.

C Measurement Focus and Basis of Accounting

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

Measurement Focus

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

2 Summary of Significant Accounting Policies - *continued*

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

Basis of Accounting

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

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

D Budgets/Budgetary Control

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

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

2 Summary of Significant Accounting Policies - *continued*

Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental funds types. Unencumbered appropriations lapse at fiscal year-end.

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

E Cash, Cash Equivalent and Investments

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

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

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

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

2 Summary of Significant Accounting Policies - *continued*

F Short-Term Interfund Receivables/Payables

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

G Inventories and Prepaid Expenses

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

H Capital Assets

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

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

<u>Description of Capital Asset</u>	<u>Estimated Lives (Years)</u>
Building and improvements	40
Furniture and equipment	5-20
Vehicles	5

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

2 Summary of Significant Accounting Policies - *continued*

I Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on specific 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 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.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

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

The Charter School had no compensated absences as of June 30, 2018.

J Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements.

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

K Deferred Revenue

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

2 Summary of Significant Accounting Policies - *continued*

L Fund Balance and Equity

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

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

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

M Net Position

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

2 Summary of Significant Accounting Policies - *continued*

N Management Estimates

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

O On-Behalf Payments

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

P GASB Pronouncements

GASBS Implemented in the 2018 Fiscal Year

The GASB issued Statement No. 75, *Accounting and Financial Reporting/or Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017. The District has adopted GASB Statement No. 75 during the year ended June 30, 2018, which resulted in the recording of full accrual revenues and expenses and additional financial statement disclosures.

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. This Statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this Statement are effective for periods beginning after June 15, 2017. The District has adopted GASB Statement No. 85 during the year ended June 30, 2018 and it did not have a significant impact on the financial statements.

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

2 Summary of Significant Accounting Policies - *continued*

P GASB Pronouncements - *continued*

Recently Issued and Adopted Accounting Principles

The GASB issued Statement No. 84, *Fiduciary Activities in January 2017*. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018. Management has not yet determined the impact of this statement on the financial statements. **The GASB issued Statement No. 87, *Leases in June 2017*.** This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Management has not yet determined the impact of this statement on the financial statements.

3 Deposits and Investments

New Jersey statutes require that Charter Schools deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Charter schools are also permitted to deposit public funds in the State of New Jersey Cash Management Fund (NJCMF), the New Jersey Arbitrage Rebate Management Fund (NJARM) and the M.B.I.A Class.

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

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%. All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The Charter School's cash and cash equivalents are classified below to inform financial statement users about the extent to which the Charter School's deposits and investments are exposed to custodial credit risk. As of June 30, 2018, the Charter School's carrying amount of deposits and investments are as follows:

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

3 Deposits and Investments - continued

	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise Funds	Agency Funds	Total
Operating A/C	\$ 456,303	\$ 31,000	\$ 181,839	\$ -	\$ 76,120	\$ 261,019	\$ 1,006,281
Restricted	25,000	-	-	553,921	-	-	578,921
Total	<u>\$ 481,303</u>	<u>\$ 31,000</u>	<u>\$ 181,839</u>	<u>\$ 553,921</u>	<u>\$ 76,120</u>	<u>\$ 261,019</u>	<u>\$ 1,585,202</u>

Operating cash accounts are held in the Charter School's name by two banking institutions. At June 30, 2018, the Charter School's carrying amount of deposits was \$1,585,202 and the bank balance was \$1,781,900. Of the bank balance, up to a maximum of \$500,000 of the Charter School's cash deposits on June 30, 2018 were secured by federal deposit insurance and \$1,281,900 was covered by a collateral pool maintained by the bank as required by New Jersey statutes in accordance with the New Jersey Governmental Unit Deposit Protection Act ("GUDPA").

Establishment of an Escrow Account

The Charter School has established and funded a portion of an Escrow Account pursuant to an agreement signed with the New Jersey Department of Education. The required maximum is \$75,000. The Charter School has fully funded \$25,000. The balance of \$50,000 will be funded in the ensuing years. The agreement stipulates that the intended use of the escrow amount is "to pay for legal and audit expenses and any other outstanding pension benefits that would be associated with a dissolution should it occur."

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

Category 1 - Insured or collateralized with securities held by the Charter School or by its agent in the Charter School's name. **Category 2** - Collateralized with securities held by the pledging public depository's trust department or agent in the Charter School's name. **Category 3** - Uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Charter School's name.

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

3 Deposits and Investments - continued

Investments

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

1. Bonds or other obligations of the United States or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal national Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
3. Bonds or other obligations of the Charter School.
4. New Jersey Cash Management Fund, New Jersey Arbitrage Rebate Management Fund and MBIA CLASS.

As of June 30, 2018, the Charter School did not hold any investments.

4 Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2018:

Governmental activities	Beginning Balance	Net Additions (Deletions)	Ending Balance
Capital assets not depreciated:			
Land	\$ 1,111,663	\$ -	\$ 1,111,663
Capital assets, being depreciated:			
Buildings and building improvements	8,178,122	-	8,178,122
Machinery and equipment	332,386	-	332,386
	<u>8,510,508</u>	<u>-</u>	<u>8,510,508</u>
Less accumulated depreciation			
Buildings and building improvements	1,755,226	203,508	1,958,734
Machinery and equipment	239,807	34,655	274,462
	<u>1,995,033</u>	<u>238,163</u>	<u>2,233,196</u>
Total capital assets net	<u>\$ 7,627,138</u>	<u>\$ (238,163)</u>	<u>\$ 7,388,975</u>

Depreciation expense of \$238,163 was charged to an unallocated function.

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

5 Lease Obligations

Equipment Leases

The Charter School leases office equipment (computers and copiers) under several operating lease agreements. For the year ended June 30, 2018, the Charter School incurred \$44,717 in equipment lease expenditures.

Year ending June 30:	Equipment Leases
2019	\$ 6,828
2020	6,828
2021	6,828
2022	6,828
2023	6,828
Thereafter	-
	<u>\$ 34,140</u>

6 Pension Plans

Description of Plans

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

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirements health care to substantially all full time certified teachers or professional staff of the public school systems in the State. The Teacher's Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Charter School and the systems other related non-contributing employers.

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

6 Pension Plans - *continued*

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

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

Public Employees' Retirement System (PERS)

The public Employees' Retirement Systems (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county municipality, Charter School, or public agency provided the employee is not a member of another state-administered retirement system. The public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State of New Jersey or any county, municipality, Charter School, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP)

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

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A 43:15a and 403B and N.J.S.A. 18A: for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirements benefits for age and service are available at age 55 and are generally determine to be 1/55 of the final average salary for each year of service credit as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years).

Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for member who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

6 Pension Plans - *continued*

Vesting and Benefit Provisions - *continued*

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

Significant Legislation

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

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PERS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

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

Contribution Requirements

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
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6 Pension Plans - *continued*

Contribution Requirements - *continued*

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

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

Annual Pension Costs (APC)

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

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

The Charter School's contribution to PERS for the year ended June 30, 2018 was \$96,351.

In accordance with N.J.S.A 18A:66-66 the State of New Jersey reimbursed the Charter School \$163,114 during the year ended June 30, 2018 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. Also, the State paid \$488,810 into the TPAF pension representing on-behalf employer's portion of the TPAF Pension System Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long Term Disability Insurance Premium Contributions for the Charter School. These amounts have been included in the school wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

7 Pension Plans – GASB 68 Disclosures

Teachers' Pension and Annuity Fund (TPAF)

Summary of Significant Accounting Policies

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

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

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

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

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

Since the Charter School (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the Charter School. However, the state's portion of the net pension liability that was associated with the Charter School was \$15,064,727 as measured on June 30, 2017 and \$16,066,357 as measured on June 30, 2016, respectively.

For the year ended June 30, 2018, the Charter School recognized pension expense of \$1,043,608 and revenue of \$1,043,608 for support provided by the State. The measurement period for the pension expense and revenue reported in the Charter School's financial statements (A-2) at June 30, 2018 is based upon changes in the collective net pension liability with a measurement period of June 30, 2016 through June 30, 2017. Accordingly, the pension expense and the related revenue associated with the support provided by the State are based upon the changes in the collective net pension liability between July 1, 2016 and June 30, 2017.

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

7 Pension Plans – GASB 68 Disclosures - *continued*

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

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

	June 30, 2017	June 30, 2016
Collective deferred outflows of resources	\$ 14,160,879,257	\$ 17,414,701,002
Collective deferred inflows of resources	\$ 11,800,239,661	\$ 134,532,594
Collective net pension liability (non-employer State of New Jersey)	\$ 67,423,605,859	\$ 78,666,367,052
State's portion of the net pension liability that was associated with the Charter School	\$ 15,064,727	\$ 16,066,357
State's portion of the net pension liability that was associated with the Charter School as a percentage of the collective net pension liability	0.022343%	0.020423%

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.5%
Salary increases: 2012-2021	Varies based on experience
Salary increases: thereafter	Varies based on experience
Investment rate of return	7.00%

Pre-retirement, post retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

7 Pension Plans – GASB 68 Disclosures - *continued*

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
US Equity	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

7 Pension Plans – GASB 68 Disclosures - *continued*

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

Discount Rate

The discount rate used to measure the State's total pension liability was 4.25% and 3.22% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036.

Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Since the Charter School's has no proportionate share of the net pension liability because of the special funding situation, the Charter School would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at: <https://www.nj.gov/treasury/pensions/documents/financial/gasb/gasb68-tpaf18.pdf>

Pension Plan Fiduciary Net Position

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

7 Pension Plans – GASB 68 Disclosures - *continued*

Public Employees' Retirement System (PERS)

Summary of Significant Accounting Policies

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

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

At June 30, 2018, the Charter School reported a liability of \$2,321,022 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2016. The Charter School's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2017 and 2016. At June 30, 2017, the Charter School's proportion was 0.0099707122% which was a decrease of 0.0009977217% from its proportion measured as of June 30, 2016 which was 0.0109684339%.

For the year ended June 30, 2018, the Charter School recognized pension expense of \$96,351. At June 30, 2018, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

7 Pension Plans – GASB 68 Disclosures - continued

Public Employees’ Retirement System (PERS) - continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,652	\$ -
Changes in assumptions	467,606	465,892
Net difference between projected and actual earnings on pension plan investments	15,805	-
Changes in proportion and differences between Charter School's contributions and proportionate share of contributions	276,706	388,659
Charter School's contributions subsequent to the measurement date	96,351	-
Total	\$ 911,120	\$ 854,551

\$96,351 reported as deferred outflows of resources related to pensions resulting from school Charter School contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability measured as of June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	Pension Expense
2018	\$ (30,118)
2019	(45,449)
2020	(27,540)
2021	36,628
2022	26,697
Thereafter	-
	\$ (39,782)

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
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7 Pension Plans – GASB 68 Disclosures - continued

Public Employees’ Retirement System (PERS) - continued

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

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Collective deferred outflows of resources	\$ 6,424,455,842	\$ 8,685,338,380
Collective deferred inflows of resources	\$ 1,028,023,941	\$ 870,133,595
Collective net pension liability (Non-State Local Group)	\$ 23,278,401,588	\$ 29,617,131,759
Charter School's portion of the net pension liability	\$ 2,321,022	\$ 3,248,536
Charter School's proportion (percentage)	0.00997071%	0.01096844%

Actuarial Assumptions

The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation rate	2.25%
Salary increases: through 2026	1.65-4.15% based on age
Salary increases: thereafter	2.65-5.15% based on age
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set-back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

7 Pension Plans – GASB 68 Disclosures - *continued*

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

Long-Term Expected Rate of Return

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated.

The more the experience deviates, the larger the impact on future financial statements. In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS’s target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
US Equity	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

7 Pension Plans – GASB 68 Disclosures - *continued*

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

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040.

Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the Charter School’s proportionate share of the net pension liability measured as of June 30, 2017 and 2016, respectively, calculated using the discount rate of 5.00% and 3.98%, respectively, as well as what the Charter School’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

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(County of Middlesex)
Notes to the Basic Financial Statements
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7 Pension Plans – GASB 68 Disclosures - *continued*

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

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

	2017		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Charter School's proportionate share of the pension liability	\$ 2,879,386	\$ 2,321,022	\$ 1,855,837
	2016		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Charter School's proportionate share of the pension liability	\$ 3,980,701	\$ 3,248,536	\$ 2,644,069

Pension Plan Fiduciary Net Position

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

8 Post Retirement Benefits

Plan Description and Benefits Provided

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

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

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

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

Employees Covered by Benefit Terms.

At June 30, 2018, the following employees were covered by the benefit terms:

TPAF participant retirees: As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees: The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

8 Post Retirement Benefits – continued

Total Nonemployer OPEB Liability

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

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016.

Actuarial Assumptions and Other Inputs

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

Inflation Rate **2.50%**

	TPAF/ABP	PERS	PFRS
Salary increases:			
through 2026	1.55% to 4.55%	2.15% to 4.15%	2.10% to 8.98%
	based on years of service	based on age	based on age
Salary increases:			
thereafter	2.00% to 5.45%	3.15% to 5.15%	3.10% to 9.98%
	based on years of service	based on age	based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

GREATER BRUNSWICK CHARTER SCHOOL
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Notes to the Basic Financial Statements
Year Ended June 30, 2018

8 Post Retirement Benefits – *continued*

Actuarial Assumptions and Other Inputs - *continued*

Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2010 - June 30, 2013, and July 1, 2011 - June 30, 2014 for TPAF, PFRS and PERS, respectively.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% and decreases to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

8 Post Retirement Benefits – continued

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

	Increase/(Decrease)
	Total OPEB
	Liability
Balance at June 30, 2016 measurement date	\$ 57,831,784,184
Changes recognized for the fiscal year:	
Service Cost	2,391,878,884
Interest on total OPEB liability	1,699,441,736
Effect of changes of assumptions	(7,086,599,129)
Contributions from the members	45,748,749
Gross benefits paid by the State	(1,242,412,566)
Net changes	(4,191,942,326)
Balance at June 30, 2017 measurement date	\$ 53,639,841,858

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

The following presents the total nonemployer OPEB Liability attributable to the Charter School as of June 30, 2017 and 2016, respectively, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the Charter School would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	At 1% Decrease (2.58%)	At 1% Discount Rate (3.58%)	At 1% Increase (4.58%)
Total OPEB liability attributable to the Charter School	\$ 6,963,723	\$ 5,866,301	\$ 4,995,816
	June 30, 2016		
	At 1% Decrease (1.85%)	At 1% Discount Rate (2.85%)	At 1% Increase (3.85%)
Total OPEB liability attributable to the Charter School	\$ 7,300,207	\$ 6,093,554	\$ 5,143,763

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

8 Post Retirement Benefits – continued

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

The following presents the total nonemployer OPEB Liability attributable to the Charter School as of June 30, 2017 and 2016, respectively, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the Charter School would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	At 1% Decrease	Healthcare Cost Trend Rate	At 1% Increase
Total OPEB liability attributable to the Charter School	\$ 4,824,465	\$ 5,866,301	\$ 7,249,846
	June 30, 2016		
	At 1% Decrease	Healthcare Cost Trend Rate	At 1% Increase
Total OPEB liability attributable to the Charter School	\$ 4,999,931	\$ 6,093,554	\$ 7,555,624

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

For the fiscal year ended June 30, 2018 the Charter School recognized OPEB expense of \$723,001 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

In accordance with GASB Statement 75, as the Charter School's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2017 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

8 Post Retirement Benefits – continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected Experience	\$ -	\$ -
Net difference between expected and actual earnings on OPEB plan investments	-	-
Assumption changes	-	(6,343,769,032)
Sub total	-	(6,343,769,032)
Contributions made in fiscal year 2018 after June 30, 2017 measurement date	1,190,373,242	N/A
Total	\$ 1,190,373,242	\$ (6,343,769,032)

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

Measurement Period - Fiscal Year Ending June 30:	Total
2018	\$ (742,830,097)
2019	(743,830,097)
2020	(743,830,097)
2021	(743,830,097)
2022	(743,830,097)
Thereafter	(2,629,618,547)
	\$ (6,347,769,032)

9 Deferred Compensation

The Charter School offers its employees a deferred compensation plan created in accordance with the IRS code 403(b). The plan which is administered by AXA Equitable, Mass Mutual and First Investors permits participants to defer a portion of their salaries until future years.

10 Economic Dependency

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

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

Of the \$779,777 General Fund balance at June 30, 2018, \$25,000 is reserved for a cash escrow account as required by an agreement with New Jersey Department of Education, \$754,777 is unreserved and undesignated.

12 Contingent Liabilities

The Charter School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Charter School may be required to reimburse the grantor government. As of June 30, 2018, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Charter School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Charter School.

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

13 Risk Management

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

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

New Jersey Unemployment Compensation - The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Charter School is required to reimburse the New Jersey Unemployment Trust Fund For benefits paid to its former employees and charged to its account with the State. The Charter School is billed quarterly for amounts due to the State. The following table is a summary of Charter School contributions, employee contributions, reimbursements to the State for benefits paid and ending balance of the Charter School's expendable trust fund for the current and previous two years:

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

13 Risk Management - continued

<u>Fiscal Year</u>	<u>Charter School Contributions</u>	<u>Employee Contributions & Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ 10,601	\$ 22,753	\$ 33,354	\$ -
2016-2017	25,130	11,532	36,675	-
2015-2016	16,011	13	16,011	13

14 Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2018 is as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 251,894	\$ -
Capital Projects Fund	-	81,460
Enterprise Fund	-	69,672
Trust and Agency Fund	-	100,762
	<u>\$ 251,894</u>	<u>\$ 251,894</u>

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

15 Receivables

Receivables as of June 30, 2018 consisted of accounts, intergovernmental, grants and miscellaneous. All receivables are considered collectible in full. A summary of the principal items of receivables are as follows:

State aid	\$ 12,241
Federal aid	46,718
Other	533,914
Total receivables	<u>\$ 592,873</u>

16 Subsequent Events

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

17 Long Term Liabilities – Bonds Payable

On August 29, 2014, the Charter School issued Charter School Revenue Bonds in the sum of \$8,090,000 at variable interest rates from 4.75% to 6.375%. The Bonds consisted of Series 2014A (Tax Exempt) in the sum of \$7,850,000 and Series 20148 (Taxable) in the sum of \$240,000. Part of the proceeds from the bond was used to refinance two existing long-term loans in the sum of \$6,775,823 for principal and \$143,737 for interest. Also, part of the proceeds from the bond was used to establish a debt service reserve fund in the sum of \$533,623 for the Series 2014A and \$16,315 for the Series 20148.

The schedule of future principal and interest payments for the serial bonds is as follows:

Year ending June 30:	Serial Bonds		
	Principal	Interest	Total
2019	\$ 99,583	\$ 446,301	\$ 545,884
2020	104,583	441,571	546,154
2021	109,583	436,603	546,186
2022	114,583	436,603	551,186
2023	119,583	431,398	550,981
2024	129,167	425,955	555,122
2025	134,583	420,275	554,858
2026	139,583	414,140	553,723
2027	149,167	406,664	555,831
2028	159,167	398,813	557,980
2029	164,583	390,422	555,005
2030	174,167	381,469	555,636
2031	184,167	372,211	556,378
2032	194,167	362,414	556,581
2033	204,167	352,055	556,222
2034	218,750	341,133	559,883
2035	229,167	329,649	558,816
2036	243,750	317,344	561,094
2037	258,750	303,926	562,676
2038	273,750	289,606	563,356
2039	288,750	274,404	563,154
2040	308,333	258,321	566,654
2041	323,750	241,357	565,107
2042	343,333	223,243	566,576
2043	363,333	204,222	567,555
2044	383,333	184,052	567,385
2045	407,917	162,706	570,623
2046	432,917	140,185	573,102
2047	457,917	115,750	573,667
2048	482,916	89,775	572,691
2049	512,500	62,300	574,800
2050	42,917	2,575	45,492
	<u>\$ 7,752,916</u>	<u>\$ 9,657,442</u>	<u>\$ 17,410,358</u>

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to the Basic Financial Statements
Year Ended June 30, 2018

17 Long Term Liabilities – Bonds Payable - continued

During the year ended June 30, 2018, the following changes in long-term debt occurred:

	Balance June 30, 2017	Additions	Budget Appropriation	Balance June 30, 2018
Serial Bonds	\$ 7,847,500	\$ -	\$ 94,584	\$ 7,752,916
	\$ 7,847,500	\$ -	\$ 94,584	\$ 7,752,916
Amounts due within one year				\$ 99,583
Long term portion				7,653,333
				\$ 7,752,916

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

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

Fund balance per B-1 as of June 30, 2018	\$ 1,434,077
Cost of capital assets net accumulated depreciation	7,388,975
Long term liabilities - the Serial Bonds	(7,752,916)
Pension deferred outflows	814,769
Pension deferred inflows	(854,551)
Deferred pension liability as of June 30, 2018	(2,321,022)
Net position (per A-1) as of June 30, 2018	\$ (1,290,668)

Required Supplementary Information

Part II

Budgetary Comparison

**GREATER BRUNSWICK CHARTER SCHOOL
General Fund**

C-1

Budget Comparison Schedule

Year ended June 30, 2018

	<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	\$ 1,676,285	\$ -	\$ 1,676,285	\$ 1,676,285	\$ -
Miscellaneous	-	-	-	67,021	67,021
Total revenues -local sources	<u>1,676,285</u>	<u>-</u>	<u>1,676,285</u>	<u>1,743,306</u>	<u>67,021</u>
State sources:					
State sources	4,174,020	(22,613)	4,151,407	4,151,407	-
Reimbursed TPAF-Social Security (non-budgeted)	-	-	-	163,114	163,114
TPAF pension, post retirement medical and long-term disability premium benefits on-behalf payments (non-budgeted)	-	-	-	488,810	488,810
Total -state sources	<u>4,174,020</u>	<u>(22,613)</u>	<u>4,151,407</u>	<u>4,803,331</u>	<u>651,924</u>
Total revenues	<u>5,850,305</u>	<u>(22,613)</u>	<u>5,827,692</u>	<u>6,546,637</u>	<u>718,945</u>
Expenditures					
Current expense:					
Instruction					
Salaries of teachers	1,734,678	4,763	1,739,441	1,735,176	4,265
Other salaries for instruction	811,331	(37,223)	774,108	774,108	-
Purchased professional technical services	20,000	5,642	25,642	24,527	1,115
Other purchased services	-	-	-	-	-
General educational supplies	95,950	(67,500)	28,450	23,950	4,500
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	14,007	14,007	14,007	-
	<u>2,661,959</u>	<u>(80,311)</u>	<u>2,581,648</u>	<u>2,571,768</u>	<u>9,880</u>

**GREATER BRUNSWICK CHARTER SCHOOL
General Fund**

C-1

Budget Comparison Schedule

Year ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Administrative cost:					
Salaries	558,881	(25,314)	533,567	524,977	8,590
Total benefit costs	1,110,172	42,561	1,152,733	1,156,850	(4,117)
Professional /Technical service	176,705	(5,905)	170,800	170,442	358
Other purchased services	10,000	-	10,000	6,766	3,234
Communications and Telephones	24,964	26,319	51,283	46,283	5,000
Supplies and materials	25,200	52,584	77,784	72,912	4,872
Interest on current loans	-	-	-	-	-
Mortgage interest	-	-	-	-	-
Miscellaneous expenses	65,637	(21,694)	43,943	43,943	-
	<u>1,971,559</u>	<u>68,551</u>	<u>2,040,110</u>	<u>2,022,173</u>	<u>17,937</u>
Support services:					
Salaries	431,469	(53,886)	377,583	353,200	24,383
Purchased prof/tech service	67,083	61,665	128,748	128,710	38
Other purchased services	7,500	-	7,500	1,152	6,348
Rent on land and buildings	-	-	-	-	-
Insurance-fidelity, liability property	40,500	33,679	74,179	74,179	-
Supplies and materials	20,750	11,549	32,299	30,232	2,067
Energy & Utilities	104,000	(42,245)	61,755	61,755	-
Miscellaneous expenses	-	-	-	-	-
Transportation other than to/from school	-	-	-	-	-
Total support services	<u>671,302</u>	<u>10,762</u>	<u>682,064</u>	<u>649,228</u>	<u>32,836</u>

**GREATER BRUNSWICK CHARTER SCHOOL
General Fund**

C-1

Budget Comparison Schedule

Year ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital outlay:					
Instructional equipment	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Purchase land/improvements	-	-	-	-	-
Lease purchase agreements - principal	-	-	-	-	-
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reimbursed TPAF-Social Security (non-budgeted)	-	-	-	163,114	(163,114)
TPAF pension, post retirement medical and long-term disability premium benefits on-behalf payments (non-budgeted)	-	-	-	488,810	(488,810)
Total expenditures	<u>5,304,820</u>	<u>(998)</u>	<u>5,303,822</u>	<u>5,895,093</u>	<u>(102,461)</u>
Excess (deficiency) of revenues over (under) expenditures	545,485	(21,615)	523,870	651,544	821,406
Other financing sources:					
Transfer to cover food deficit	-	-	-	(15,659)	15,659
Transfer to capital projects fund	-	-	-	-	-
Transfer to debt service fund - principal	(94,583)	-	(94,583)	(94,583)	-
Transfer to debt service fund - interest	(450,902)	(1,000)	(451,902)	(451,902)	-
Total other financing sources/(uses)	<u>(545,485)</u>	<u>(1,000)</u>	<u>(546,485)</u>	<u>(562,144)</u>	<u>15,659</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	(22,615)	(22,615)	89,400	837,065
Fund balances, beginning of year	<u>690,377</u>	<u>-</u>	<u>690,377</u>	<u>690,377</u>	<u>-</u>
Fund balances, end of year	<u>\$ 690,377</u>	<u>\$ (22,615)</u>	<u>\$ 667,762</u>	<u>\$ 779,777</u>	<u>\$ 837,065</u>

**GREATER BRUNSWICK CHARTER SCHOOL
Special Revenue Fund**

C-2

Budget Comparison Schedule

Year ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues					
Federal sources	\$ 368,310	\$ -	\$ 368,310	\$ 368,310	\$ -
Local sources	-	-	-	-	-
Total revenues -all sources	<u>\$ 368,310</u>	<u>\$ -</u>	<u>\$ 368,310</u>	<u>\$ 368,310</u>	<u>\$ -</u>
Expenditures					
Current Expenditures:					
Instruction:					
Salaries of teachers	\$ 48,690	\$ -	\$ 48,690	\$ 48,690	\$ -
Purchased Prof. and technical services	16,800	-	16,800	16,800	-
Other purchased services	-	-	-	-	-
General supplies	81,878	-	81,878	81,878	-
Miscellaneous expenditures	-	-	-	-	-
Total instruction	<u>147,368</u>	<u>-</u>	<u>147,368</u>	<u>147,368</u>	<u>-</u>
Support services					
Support services salaries	62,844	-	62,844	62,844	-
Employee benefits	11,584	-	11,584	11,584	-
Purchased professional services	118,069	-	118,069	118,069	-
Other purchased services	14,736	-	14,736	14,736	-
Supplies	13,709	-	13,709	13,709	-
Miscellaneous expenditures	-	-	-	-	-
Total support services	<u>220,942</u>	<u>-</u>	<u>220,942</u>	<u>220,942</u>	<u>-</u>
Capital Outlay:					
Facilities acquisition and construction services					
Instructional equipment	-	-	-	-	-
Noninstructional equipment	-	-	-	-	-
Construction services	-	-	-	-	-
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 368,310</u>	<u>\$ -</u>	<u>\$ 368,310</u>	<u>\$ 368,310</u>	<u>\$ -</u>

Notes to Required Supplementary Information

GREATER BRUNSWICK CHARTER SCHOOL
Note to Required Supplementary Information
Budget to GAAP Reconciliation

C-3

Year ended June 30, 2018

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule:	[C-1]	\$ 6,546,637	
	[C-2]		\$ 368,310
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	\$ 6,546,637	\$ 368,310
		Note 1	
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule			
	[C-1]	\$ 5,895,093	
	[C-2]		\$ 368,310
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfer (outflows) to general fund		-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 5,895,093	\$ 368,310

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

GREATER BRUNSWICK CHARTER SCHOOL

L-1

Schedule of the Charter School's Proportionate Share of the Net Pension Liability - PERS
Last Four Fiscal Years

	Fiscal Year Ended June 30,				
	2017	2016	2015	2014	2013
Charter School's proportion of the net pension liability (assets)	0.0099707122%	0.0109684339%	0.0126245184%	0.0122354154%	0.0089060145%
Charter School's proportionate share of the net pension liability (assets)	2,321,022	3,248,536	2,833,951	2,290,804	1,702,116
Charter School's covered employee payroll	\$ 773,468	\$ 773,468	\$ 742,963	\$ 833,908	\$ 825,620
Charter School's proportionate share of the net pension liability (assets) as a percentage of its covered employee payroll	300.08%	420.00%	381.44%	274.71%	206.16%
Plan fiduciary net position as a percentage of the total pension liability - local	48.10%	40.14%	47.93%	52.08%	48.72%

Note

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

GREATER BRUNSWICK CHARTER SCHOOL

Schedule of the Charter School's Contributions - PERS
Last Four Fiscal Years

	Fiscal Year Ended June 30,				
	2017	2016	2015	2014	2013
Contractually required contribution	\$ 96,351	\$ 99,953	\$ 108,537	\$ 100,867	\$ 67,105
Contribution in relation to the contractually required contribution	<u>(96,351)</u>	<u>(99,953)</u>	<u>(108,537)</u>	<u>(100,867)</u>	<u>(67,105)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Charter School's covered employee payroll	\$ 773,468	\$ 773,468	\$ 742,963	\$ 833,908	\$ 825,620
Contributions as a percentage of covered employee payroll	12.46%	12.92%	14.61%	12.10%	8.13%

Note

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

GREATER BRUNSWICK CHARTER SCHOOL

Schedule of the Charter School's Proportionate Share of the Net Pension Liability - TPAF
Last Four Fiscal Years

	Fiscal Year Ended June 30,				
	2017	2016	2015	2014	2013
Charter School's proportion of the net pension liability (assets)**	N/A	N/A	N/A	N/A	N/A
Charter School's proportionate share of the net pension liability (assets)**	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (assets) associated with the Charter School	\$ 15,064,727	\$ 16,066,357	\$ 11,979,356	\$ 9,477,362	\$ 8,462,968
Total	<u>\$ 15,064,727</u>	<u>\$ 16,066,357</u>	<u>\$ 11,979,356</u>	<u>\$ 9,477,362</u>	<u>\$ 8,462,968</u>
Charter School's covered employee payroll	\$ 2,161,203	\$ 2,161,203	\$ 2,246,307	\$ 1,964,881	\$ - *
Charter School's proportionate share of the net pension liability (assets) as a percentage of its covered employee payroll**	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	25.41%	22.33%	28.71%	33.64%	33.76%

**Note

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

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

	Fiscal Year Ending	
	2017	2016
Total OPEB Liability		
Service cost	\$ 596,989	**
Interest cost	188,829	**
Changes of assumptions	(882,198)	**
Member contributions	5,003	**
Gross benefit payments	(135,876)	**
Net change in total OPEB liability	(227,253)	**
Total OPEB liability - beginning	6,093,554	**
Total OPEB liability, ending	<u>\$ 5,866,301</u>	<u>\$ 6,093,554</u>
Covered employee payroll - PERS and TPAF	\$ 1,368,734	**
Total OPEB liability as a percentage of covered employee payroll	429%	0.00%
State's proportionate share of the net OPEB liability (asset) associated with the Charter School	0.00%	0.00%

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to Required Supplementary Information
Year Ended June 30, 2018

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

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.98% as of June 30, 2016 to 5.00% as of June 30, 2017.

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

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.22% as of June 30, 2016 to 4.25% as of June 30, 2017.

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

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

Other Supplementary Information

School Level Schedules

Special Revenue Fund

**GREATER BRUNSWICK CHARTER SCHOOL
Special Revenue Fund**

E-1

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

Year ended June 30, 2018

	Title IA Current Year 2017-2018	Title IIA Current Year 2017-2018	Title III Current Year 2017-2018	Title IV Current Year 2017-2018	I.D.E.A., Basic Current Year 2017-2018	I.D.E.A. Preschool Current Year 2017-2018	Total
Revenues							
Federal sources	\$ 230,527	\$ 19,321	\$ 19,195	\$ 10,000	\$ 87,926	\$ 1,341	\$ 368,310
Local sources	-	-	-	-	-	-	-
Total revenues -all sources	<u>\$ 230,527</u>	<u>\$ 19,321</u>	<u>\$ 19,195</u>	<u>\$ 10,000</u>	<u>\$ 87,926</u>	<u>\$ 1,341</u>	<u>\$ 368,310</u>
Expenditures							
Instruction							
Salaries of teachers	\$ 48,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,690
Purchased Prof. and technical services	8,200	-	-	8,600	-	-	16,800
Other purchased services	-	-	-	-	-	-	-
General supplies	74,536	-	1	-	6,000	1,341	81,878
Miscellaneous expenditures	-	-	-	-	-	-	-
Total instruction	<u>131,426</u>	<u>-</u>	<u>1</u>	<u>8,600</u>	<u>6,000</u>	<u>1,341</u>	<u>147,368</u>
Support services							
Support services salaries	42,800	5,049	14,995	-	-	-	62,844
Employee benefits	6,999	386	4,199	-	-	-	11,584
Purchased professional services	26,443	9,700	-	-	81,926	-	118,069
Other purchased services	11,000	3,736	-	-	-	-	14,736
Supplies	11,859	450	-	1,400	-	-	13,709
Miscellaneous expenditures	-	-	-	-	-	-	-
Total support services	<u>99,101</u>	<u>19,321</u>	<u>19,194</u>	<u>1,400</u>	<u>81,926</u>	<u>-</u>	<u>220,942</u>
Facilities acquisition and construction services							
Instructional equipment	-	-	-	-	-	-	-
Noninstructional equipment	-	-	-	-	-	-	-
Construction services	-	-	-	-	-	-	-
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 230,527</u>	<u>\$ 19,321</u>	<u>\$ 19,195</u>	<u>\$ 10,000</u>	<u>\$ 87,926</u>	<u>\$ 1,341</u>	<u>\$ 368,310</u>

Capital Projects Fund

**GREATER BRUNSWICK CHARTER SCHOOL
Capital Projects Fund**

F-1

Summary Schedule of Project Expenditures

Year ended June 30, 2018

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriation</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriation June 30, 2018</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Project fund	05/12/14	\$ 620,537	\$ 568,116	\$ -	\$ 52,421
Repair and replacement fund	05/12/14	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Totals		<u>\$ 820,537</u>	<u>\$ 568,116</u>	<u>\$ -</u>	<u>\$ 252,421</u>

GREATER BRUNSWICK CHARTER SCHOOL
Capital Projects Fund

F-2

Summary Schedule of Revenues, Expenditures and Changes in Fund Balance
Budgetary Basis

Year ended June 30, 2018

Revenues and Other Financing Sources		
Bond proceeds	\$	-
Interest income		666
Miscellaneous		5,210
		<u>5,876</u>
Other purchased professional and technical services		-
Construction services		-
		<u>-</u>
Excess/(deficiency) of revenues over/(under) expenditures		5,876
Other financing sources/(uses)		
Operating transfers in - general fund		-
Total other financing sources and uses		<u>-</u>
Net change in fund balance		5,876
Fund balance, beginning of year		<u>94,503</u>
Fund balance, end of year	\$	<u><u>100,379</u></u>

GREATER BRUNSWICK CHARTER SCHOOL
Capital Projects Fund

F-2a

Schedule of Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Project Fund
Year ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<u>Revenues and Other Financing Sources</u>				
Bond proceeds	\$ 620,503	\$ -	\$ 620,503	\$ 620,503
Miscellaneous	116	5,876	5,992	5,910
	<u>620,619</u>	<u>5,876</u>	<u>626,495</u>	<u>626,413</u>
Other purchased professional and technical services	301,195	-	301,195	301,214
Construction services	266,921	-	266,921	325,199
	<u>568,116</u>	<u>-</u>	<u>568,116</u>	<u>626,413</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>\$ 52,503</u>	<u>\$ 5,876</u>	<u>\$ 58,379</u>	<u>\$ -</u>

Additional Project Information:

Project Number	
Grant Date	05/12/14
Bond Authorization Date	08/29/14
Bonds Authorized	\$ 620,503
Bonds Issues	\$ 620,503
Original Authorized Cost	\$ 620,503
Additional Authorized Cost	\$ 5,910
Revised Authorized Cost	\$ 626,413
Percentage Increase Over Original Authorized Cost	0.0%
Percentage of Completion	90.7%
Original Target Completion Date	12/31/17
Revised Target Completion Date	N/A

GREATER BRUNSWICK CHARTER SCHOOL
Capital Projects Fund

F-2b

Schedule of Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Repair and Replacement Fund
Year ended June 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<u>Revenues and Other Financing Sources</u>				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Transfer from General Fund	42,000	-	42,000	200,000
	<u>42,000</u>	<u>-</u>	<u>42,000</u>	<u>200,000</u>
<u>Expenditures and Other Financing Uses</u>				
Construction services	-	-	-	200,000
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>\$ 42,000</u>	<u>\$ -</u>	<u>\$ 42,000</u>	<u>\$ -</u>

Additional Project Information:

Project Number	
Grant Date	05/12/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issues	N/A
Original Authorized Cost	\$ 200,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 200,000
Percentage Increase Over Original Authorized Cost	0.0%
Percentage of Completion	0.0%
Original Target Completion Date	01/01/23
Revised Target Completion Date	N/A

Enterprise Fund

GREATER BRUNSWICK CHARTER SCHOOL
Enterprise Funds

G-1

Combining Statement of Net Position

June 30, 2018

	<u>Food Services</u>	<u>After-Care Program</u>	<u>Total</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 76,120	\$ -	\$ 76,120
Accounts receivable:	-	-	-
Federal	26,072	-	26,072
State	277	-	277
Other	-	-	-
Interfunds receivable	-	-	-
Total current assets	<u>\$ 102,469</u>	<u>\$ -</u>	<u>\$ 102,469</u>
Liabilities			
Current liabilities:			
Interfunds payable	\$ 76,161	\$ (6,489)	\$ 69,672
Accounts payable	-	-	-
Total current liabilities	<u>76,161</u>	<u>(6,489)</u>	<u>69,672</u>
Net position			
Unrestricted	26,308	6,489	32,797
Total net position	<u>\$ 26,308</u>	<u>\$ 6,489</u>	<u>\$ 32,797</u>

GREATER BRUNSWICK CHARTER SCHOOL
Enterprise Fund

G-2

Combining Statement of Revenues, Expenditures and Changes in Net Position

Year ended June 30, 2018

	Food Services	After School Programs	Total
Operating revenues:			
Charges for services:			
Daily sales - reimbursable program	\$ 33,196	\$ 43,261	\$ 76,457
Daily sales - non-reimbursable program	-	-	-
Miscellaneous revenue	-	-	-
Total Operating revenues	<u>33,196</u>	<u>43,261</u>	<u>76,457</u>
Operating expenses:			
Cost of sales - reimburseable program	243,286	-	243,286
Cost of sales - non-reimburseable program	-	-	-
Salaries	55,238	55,164	110,402
Employee benefits	-	-	-
Professional /technical service	-	2,500	2,500
Supplies and materials	598	1,508	2,106
Depreciation	-	-	-
Miscellaneous	-	-	-
Total operating expenses	<u>299,122</u>	<u>59,172</u>	<u>358,294</u>
Operating income/(loss)	<u>(265,926)</u>	<u>(15,911)</u>	<u>(281,837)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	3,164	-	3,164
State school breakfast program	-	-	-
Federal sources:			
National school lunch program	167,501	-	167,501
National school breakfast program	118,082	-	118,082
After school snacks program	-	5,722	5,722
Healthy, Hunger-Free Kids Act	3,487	-	3,487
Total nonoperating revenues	<u>292,234</u>	<u>5,722</u>	<u>297,956</u>
Net income/(loss) before contributions & transfers	26,308	(10,189)	16,119
Other financing sources:			
Transfers within fund	-	-	-
Transfer in/(out) - board contribution	-	15,659	15,659
	<u>-</u>	<u>15,659</u>	<u>15,659</u>
Change in net position	26,308	5,470	31,778
Total net position-beginning of year	<u>-</u>	<u>1,019</u>	<u>1,019</u>
Total net position-end of year	<u>\$ 26,308</u>	<u>\$ 6,489</u>	<u>\$ 32,797</u>

GREATER BRUNSWICK CHARTER SCHOOL
Enterprise Fund

G-3

Statement of Cash Flows

Year ended June 30, 2018

	Food Services	After School Programs	Total
Cash flows from operating activities			
Operating loss	\$ (265,926)	\$ (15,911)	\$ (281,837)
Adjustment to reconcile operating loss to net cash used in operating activities:			
Changes in assets and liabilities:			
Accounts receivable	2,085	-	2,085
Due to/from general fund	5,501	(5,502)	(1)
Accounts payable	-	-	-
Net cash used in operating activities	(258,340)	(21,413)	(279,753)
Cash flows from noncapital financing activities:			
Cash received from state reimbursements	3,164	-	3,164
Cash received from federal reimbursements	289,070	5,722	294,792
Transfers within fund	-	-	-
Operating subsidies and transfers from other funds	-	15,659	15,659
Net cash provided by noncapital financing activities	292,234	21,381	313,615
Cash flows from investing activities			
	-	-	-
Net change in cash and cash equivalents	33,894	(32)	33,862
Cash and cash equivalents, beginning	42,226	32	42,258
Cash and cash equivalents, ending	\$ 76,120	\$ -	\$ 76,120

Fiduciary Fund

GREATER BRUNSWICK CHARTER SCHOOL
Fiduciary Funds

H-1

Combining Statement of Fiduciary Net Position

June 30, 2018

	Unemployment Insurance Fund	Student Activity Fund	Agency Fund Payroll	Total
Assets				
Cash and cash equivalents	\$ -	\$ 58,424	\$ 202,595	\$ 261,019
Other accounts receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	\$ -	\$ 58,424	\$ 202,595	\$ 261,019
Liabilities and net position				
Liabilities:				
Payroll deductions and withholdings	\$ -	\$ -	\$ 101,833	\$ 101,833
Interfund payables	-	-	100,762	100,762
Account payable - due to students group	-	58,424	-	58,424
Total liabilities	-	\$ 58,424	\$ 202,595	\$ 261,019
Net position				
Total liabilities and net position	-	\$ -	-	-

GREATER BRUNSWICK CHARTER SCHOOL
Fiduciary Funds

H-2

Combining Statement of Changes in Fiduciary Net Position
Unemployment Compensation Insurance Trust Fund

Year ended June 30, 2018

	<u>Unemployment Compensation</u>
Additions:	
Deductions from employees' salaries	\$ 10,601
Board contributions	22,753
Investment earnings - interest	-
Total revenues	<u>33,354</u>
Expenditures:	
Unemployment claims	<u>33,354</u>
Total expenditures	<u>33,354</u>
Change in net position	-
Net position, beginning	<u>-</u>
Net position, ending	<u><u>\$ -</u></u>

GREATER BRUNSWICK CHARTER SCHOOL
Student Activity Agency Fund
Schedule of Receipts and Disbursements

H-3

Year ended June 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
Assets				
Student Activity Fund	\$ 40,371	\$ 32,169	\$ 14,116	\$ 58,424
Total assets	<u>\$ 40,371</u>	<u>\$ 32,169</u>	<u>\$ 14,116</u>	<u>\$ 58,424</u>

GREATER BRUNSWICK CHARTER SCHOOL
Payroll Agency Fund
Schedule of Receipts and Disbursements

H-4

Year ended June 30, 2018

	<u>Balance June 30, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2018</u>
Assets				
Cash and cash equivalents	\$ 209,253	\$ 3,846,253	\$ 3,852,911	\$ 202,595
Interfund receivable	-	-	-	-
Total assets	<u>\$ 209,253</u>	<u>\$ 3,846,253</u>	<u>\$ 3,852,911</u>	<u>\$ 202,595</u>
Liabilities				
Payroll deductions and withholdings	\$ 108,492	\$ 3,745,491	\$ 3,752,150	\$ 101,833
Interfund payable	100,761	100,762	100,761	100,762
Total liabilities	<u>\$ 209,253</u>	<u>\$ 3,846,253</u>	<u>\$ 3,852,911</u>	<u>\$ 202,595</u>

Long Term Debt

GREATER BRUNSWICK CHARTER SCHOOL

**Long-Term Debt
Schedule of Bonds Payable**

Year ended June 30, 2018

Issue	Date of Issue	Amount of Issue	Annual Principal Payments Outstanding June 30, 2018		Interest Rate	Amount Outstanding June 30, 2017	Issued	Retired	Amount Outstanding June 30, 2018
			Date	Amount					
School Revenue Bonds: Series 2014A (Tax Exempt)	8/24/2014	\$ 7,850,000	8/1/2016	\$ 833	4.750%	\$ -	\$ -	\$ -	\$ -
			9/1/2016	833	4.750%				
			10/1/2016	833	4.750%				
			11/1/2016	833	4.750%				
			12/1/2016	833	4.750%				
			1/1/2017	833	4.750%				
			2/1/2017	833	4.750%				
			3/1/2017	833	4.750%				
			4/1/2017	833	4.750%				
			5/1/2017	833	4.750%				
			6/1/2017	833	4.750%				
			7/1/2017	833	4.750%				
			8/1/2017	7,967	4.750%				
			9/1/2017	7,967	4.750%				
			10/1/2017	7,967	4.750%				
			11/1/2017	7,967	4.750%				
			12/1/2017	7,967	4.750%				
			1/1/2018	7,967	4.750%				
			2/1/2018	7,967	4.750%				
			3/1/2018	7,967	4.750%				
			4/1/2018	7,967	4.750%				
			5/1/2018	7,967	4.750%				
			6/1/2018	7,967	4.750%				
			7/1/2018	7,967	4.750%				
			8/1/2018	8,333	4.750%				
			9/1/2018	8,333	4.750%				
			10/1/2018	8,333	4.750%				
			11/1/2018	8,333	4.750%				
			12/1/2018	8,333	4.750%				
			1/1/2019	8,333	4.750%				
			2/1/2019	8,333	4.750%				
			3/1/2019	8,333	4.750%				
			4/1/2019	8,333	4.750%				
			5/1/2019	8,333	4.750%				
			6/1/2019	8,333	4.750%				
			7/1/2019	8,333	4.750%				
			8/1/2019	8,750	4.750%				
			9/1/2019	8,750	4.750%				

GREATER BRUNSWICK CHARTER SCHOOL

I-1

Long-Term Debt
Schedule of Bonds Payable

Year ended June 30, 2018

Issue	Date of Issue	Amount of Issue	Annual Principal Payments Outstanding June 30, 2018		Interest Rate	Amount Outstanding June 30, 2017	Issued	Retired	Amount Outstanding June 30, 2018
			Date	Amount					
School Revenue Bonds: Series 2014A (Tax Exempt)	8/24/2014	\$ 7,850,000	10/1/2019	\$ 8,750	4.750%				
			11/1/2019	8,750	4.750%				
			12/1/2019	8,750	4.750%				
			1/1/2020	8,750	4.750%				
			2/1/2020	8,750	4.750%				
			3/1/2020	8,750	4.750%				
			4/1/2020	8,750	4.750%				
			5/1/2020	8,750	4.750%				
			6/1/2020	8,750	4.750%				
			7/1/2020	8,750	4.750%				
			8/1/2020	9,167	4.750%				
			9/1/2020	9,167	4.750%				
			10/1/2020	9,167	4.750%				
			11/1/2020	9,167	4.750%				
			12/1/2020	9,167	4.750%				
			1/1/2021	9,167	4.750%				
			2/1/2021	9,167	4.750%				
			3/1/2021	9,167	4.750%				
			4/1/2021	9,167	4.750%				
			5/1/2021	9,167	4.750%				
			6/1/2021	9,167	4.750%				
			7/1/2021	9,167	4.750%				
			8/1/2021-2022	9,583	4.750%				
			8/1/2022-2023	10,000	4.750%				
			8/1/2023-2024	10,833	4.750%				
			8/1/2024-2025	11,250	5.625%				
			8/1/2025-2026	11,667	5.625%				
			8/1/2026-2027	12,500	5.625%				
			8/1/2027-2028	13,333	5.625%				
			8/1/2028-2029	13,750	5.625%				
			8/1/2029-2030	14,583	5.625%				
			8/1/2030-2031	15,417	5.625%				
			8/1/2031-2032	16,250	5.625%				
			8/1/2032-2033	17,083	5.625%				
			8/1/2033-2034	18,333	5.625%				
			8/1/2034-2035	19,167	5.875%				
			8/1/2035-2036	20,417	5.875%				
			8/1/2036-2037	21,667	5.875%				
			8/1/2037-2038	22,917	5.875%				
			8/1/2038-2039	24,167	5.875%				

GREATER BRUNSWICK CHARTER SCHOOL

I-1

Long-Term Debt
Schedule of Bonds Payable

Year ended June 30, 2018

Issue	Date of Issue	Amount of Issue	Annual Principal Payments Outstanding June 30, 2018		Interest Rate	Amount Outstanding June 30, 2017	Issued	Retired	Amount Outstanding June 30, 2018
			Date	Amount					
School Revenue Bonds: Series 2014A (Tax Exempt)	8/24/2014	\$ 7,850,000	8/1/2039-2040	\$ 25,833	5.875%				
			8/1/2040-2041	27,083	5.875%				
			8/1/2041-2042	28,750	5.875%				
			8/1/2042-2043	30,417	5.875%				
			8/1/2043-2044	32,083	5.875%				
			8/1/2044-2045	34,167	6.000%				
			8/1/2045-2046	36,250	6.000%				
			8/1/2046-2047	38,333	6.000%				
			8/1/2047-2048	40,417	6.000%				
			8/1/2048-2049	42,917	6.000%				
								\$ 7,840,837	-
Series 2014B (Taxable)	8/29/2014	\$ 240,000	7/1/2015	7,500	6.375%				
			8/1/2015	7,083	6.375%				
			9/1/2015	7,083	6.375%				
			10/1/2015	7,083	6.375%				
			11/1/2015	7,083	6.375%				
			12/1/2015	7,083	6.375%				
			1/1/2016	7,083	6.375%				
			2/1/2016	7,083	6.375%				
			3/1/2016	7,083	6.375%				
			4/1/2016	7,083	6.375%				
			5/1/2016	7,083	6.375%				
			6/1/2016	7,083	6.375%				
			7/1/2016	7,083	6.375%				
			8/1/2016	6,667	6.375%				
			9/1/2016	6,667	6.375%				
			10/1/2016	6,667	6.375%				
			11/1/2016	6,667	6.375%				
			12/1/2016	6,667	6.375%				
			1/1/2017	6,667	6.375%				
2/1/2017	6,667	6.375%							
3/1/2017	6,667	6.375%							
4/1/2017	6,667	6.375%							
5/1/2017	6,667	6.375%							
6/1/2017	6,667	6.375%							
7/1/2017	6,667	6.375%							
					6,663	-	6,663	-	
					\$ 7,847,500	\$ -	\$ 94,584	\$ 7,752,916	

GREATER BRUNSWICK CHARTER SCHOOL
Long-Term Debt
Schedule of Loans Payable

I-2

Year ended June 30, 2018

<u>Issued</u>			Interest Rate	Amount Outstanding June 30, 2017	Issued	Retired	Amount Outstanding June 30, 2018
Purpose	Date	Amount		-			-
NONE				\$ -	\$ -	\$ -	\$ -
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GREATER BRUNSWICK CHARTER SCHOOL
Budgetary Comparison Schedule
Debt Service Fund

I-3

Year ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative) Final to Actual</u>
Revenues					
Interest earned on Debt Service Reserve	\$ -	\$ -	\$ -	\$ 3,627	\$ 3,627
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,627</u>	<u>3,627</u>
Expenditures					
Regular Debt Service:					
Interest	451,902	-	451,902	451,902	-
Redemption of Principal	94,583	-	94,583	94,583	-
Early Retirement of Loans					
Interest	-	-	-	-	-
Redemption of Principal	-	-	-	-	-
Total expenditures	<u>546,485</u>	<u>-</u>	<u>546,485</u>	<u>546,485</u>	<u>-</u>
Excess/(deficiency) of revenues over/ (under) expenditures	<u>(546,485)</u>	<u>-</u>	<u>(546,485)</u>	<u>(542,858)</u>	<u>3,627</u>
Other financing sources:					
Bond proceeds				-	-
Operating transfers in - General Fund	546,485	-	546,485	546,485	-
	<u>546,485</u>	<u>-</u>	<u>546,485</u>	<u>546,485</u>	<u>-</u>
Excess/(deficiency) of revenues over/ (under) expenditures	-	-	-	3,627	3,627
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>550,294</u>	<u>550,294</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 553,921</u>	<u>\$ 553,921</u>

Statistical Section

GREATER BRUNSWICK CHARTER SCHOOL
County of Middlesex New Jersey

J-1

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Invested in capital assets, net of related debt	\$ (363,941)	\$ (220,362)	\$ (63,423)	\$ 143,009	\$ 1,246,005	\$ 1,181,123	\$ 942,807	\$ 820,685	\$ (1,252,631)	\$ 343,445
Restricted	654,300	644,797	644,417	827,800	1,402	25,583	56,293	38,674	2,095,808	300,323
Unrestricted	(1,581,027)	(1,582,231)	(1,328,989)	(1,065,826)	778,972	646,575	608,066	573,388	414,754	166,445
Total governmental activities net position	<u>\$ (1,290,668)</u>	<u>\$ (1,157,796)</u>	<u>\$ (747,995)</u>	<u>\$ (95,017)</u>	<u>\$ 2,026,379</u>	<u>\$ 1,853,281</u>	<u>\$ 1,607,166</u>	<u>\$ 1,432,747</u>	<u>\$ 1,257,931</u>	<u>\$ 810,213</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	32,797	1,019	17,593	21,286	11,351	1,547	3,411	3,396	(5,221)	3,187
Total business-type activities	<u>\$ 32,797</u>	<u>\$ 1,019</u>	<u>\$ 17,593</u>	<u>\$ 21,286</u>	<u>\$ 11,351</u>	<u>\$ 1,547</u>	<u>\$ 3,411</u>	<u>\$ 3,396</u>	<u>\$ (5,221)</u>	<u>\$ 3,187</u>
School-wide										
Invested in capital assets, net of related debt	\$ (363,941)	\$ (220,362)	\$ (63,423)	\$ 143,009	\$ 1,246,005	\$ 1,181,123	\$ 942,807	\$ 820,685	\$ (1,252,631)	\$ 343,445
Restricted	654,300	644,797	644,417	827,800	1,402	25,583	56,293	38,674	2,095,808	300,323
Unrestricted	(1,548,230)	(1,581,212)	(1,311,396)	(1,044,540)	790,323	648,122	611,477	576,784	409,533	169,632
Total charter school net position	<u>\$ (1,257,871)</u>	<u>\$ (1,156,777)</u>	<u>\$ (730,402)</u>	<u>\$ (73,731)</u>	<u>\$ 2,037,730</u>	<u>\$ 1,854,828</u>	<u>\$ 1,610,577</u>	<u>\$ 1,436,143</u>	<u>\$ 1,252,710</u>	<u>\$ 813,400</u>

Source: Charter School's Records

GREATER BRUNSWICK CHARTER SCHOOL
County of Middlesex New Jersey

J-2

CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental activities										
Instruction										
Regular	\$ 2,719,136	\$ 2,813,312	\$ 2,888,880	\$ 3,970,385	\$ 3,555,799	\$ 3,323,978	\$ 3,056,836	\$ 2,638,472	\$ 2,375,918	\$ 1,922,262
Support services:										
School administrative services	2,751,145	2,916,297	2,299,989	840,328	736,092	612,782	464,184	372,873	357,394	885,338
General administration	808,415	766,460	1,246,864	954,574	919,350	819,555	756,893	706,597	695,996	171,154
Plant operations and maintenance	61,755	73,295	67,625	406,340	427,345	362,211	273,220	259,297	333,565	223,240
Interest on long term debt	451,902	456,464	463,584	626,770	324,272	334,275	345,242	145,294	76,318	164,654
Unallocated depreciation	239,807	246,522	253,514	358,270	237,179	223,329	204,792	232,398	150,573	62,047
Total governmental activities expenses	<u>7,032,160</u>	<u>7,272,350</u>	<u>7,220,456</u>	<u>7,156,667</u>	<u>6,200,037</u>	<u>5,676,130</u>	<u>5,101,167</u>	<u>4,354,931</u>	<u>3,989,764</u>	<u>3,428,695</u>
Business-type activities:										
Food service	299,122	318,646	283,890	271,640	282,797	264,555	115,307	125,926	100,261	71,096
Child Care	59,172	74,960	92,342	66,010	71,734	50,141	74,680	72,584	66,104	67,906
Total business-type activities expense	<u>358,294</u>	<u>393,606</u>	<u>376,232</u>	<u>337,650</u>	<u>354,531</u>	<u>314,696</u>	<u>189,987</u>	<u>198,510</u>	<u>166,365</u>	<u>139,002</u>
Total charter school expenses	<u>\$ 7,390,454</u>	<u>\$ 7,665,956</u>	<u>\$ 7,596,688</u>	<u>\$ 7,494,317</u>	<u>\$ 6,554,568</u>	<u>\$ 5,990,826</u>	<u>\$ 5,291,154</u>	<u>\$ 4,553,441</u>	<u>\$ 4,156,129</u>	<u>\$ 3,567,697</u>
Program revenues										
Governmental activities:										
Charges for services:										
Operating grants and contributions	\$ 368,310	\$ 359,430	\$ 359,430	\$ 843,947	\$ 875,359	\$ 647,936	\$ 474,267	\$ 477,637	\$ 443,427	\$ 322,966
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>368,310</u>	<u>359,430</u>	<u>359,430</u>	<u>843,947</u>	<u>875,359</u>	<u>647,936</u>	<u>474,267</u>	<u>477,637</u>	<u>443,427</u>	<u>322,966</u>
Business-type activities:										
Charges for services:										
Food service	33,196	15,921	17,694	11,361	21,355	15,592	21,352	14,444	18,537	18,212
Child care	43,261	64,870	75,579	31,016	45,406	47,386	52,554	65,015	61,343	61,380
Operating grants and contributions	297,956	296,241	279,266	294,209	255,574	239,854	95,362	93,018	70,376	54,778
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>374,413</u>	<u>377,032</u>	<u>372,539</u>	<u>336,586</u>	<u>322,335</u>	<u>302,832</u>	<u>169,268</u>	<u>172,477</u>	<u>150,256</u>	<u>134,370</u>
Total charter school program revenues	<u>\$ 742,723</u>	<u>\$ 736,462</u>	<u>\$ 731,969</u>	<u>\$ 1,180,533</u>	<u>\$ 1,197,694</u>	<u>\$ 950,768</u>	<u>\$ 643,535</u>	<u>\$ 650,114</u>	<u>\$ 593,683</u>	<u>\$ 457,336</u>
Net (expense)/revenue										
Governmental activities	\$ (6,663,850)	\$ (6,912,920)	\$ (6,861,026)	\$ (6,312,720)	\$ (5,324,678)	\$ (5,028,194)	\$ (4,626,900)	\$ (3,877,294)	\$ (3,546,337)	\$ (3,105,729)
Business-type activities	16,119	(16,574)	(3,693)	(1,064)	(32,196)	(11,864)	(20,719)	(26,033)	(16,109)	(4,632)
Total charter school-wide net expense	<u>\$ (6,647,731)</u>	<u>\$ (6,929,494)</u>	<u>\$ (6,864,719)</u>	<u>\$ (6,313,784)</u>	<u>\$ (5,356,874)</u>	<u>\$ (5,040,058)</u>	<u>\$ (4,647,619)</u>	<u>\$ (3,903,327)</u>	<u>\$ (3,562,446)</u>	<u>\$ (3,110,361)</u>

GREATER BRUNSWICK CHARTER SCHOOL
County of Middlesex New Jersey

J-2

CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General revenues and other changes in net position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,676,285	\$ 1,615,566	\$ 1,671,677	\$ 1,786,211	\$ 1,746,224	\$ 1,702,919	\$ 1,447,353	\$ 1,402,762	\$ 845,154	\$ 1,089,236
Grants and contributions	4,803,331	4,814,628	4,531,724	4,029,021	3,775,172	3,567,157	3,327,083	2,631,561	5,880,536	2,358,791
Miscellaneous income	67,021	72,925	4,647	22,103	18,380	14,233	47,618	52,437	64,774	37,241
Transfers	(15,659)	-	-	(11,000)	(42,000)	(10,000)	(20,735)	(34,650)	(135,885)	(18,570)
Total governmental activities	6,530,978	6,503,119	6,208,048	5,826,335	5,497,776	5,274,309	4,801,319	4,052,110	6,654,579	3,466,698
Business-type activities:										
Transfers	15,659	-	-	11,000	42,000	10,000	20,735	34,650	135,885	18,570
Total business-type activities	15,659	-	-	11,000	42,000	10,000	20,735	34,650	135,885	18,570
Total charter school-wide	\$ 6,546,637	\$ 6,503,119	\$ 6,208,048	\$ 5,837,335	\$ 5,539,776	\$ 5,284,309	\$ 4,822,054	\$ 4,086,760	\$ 6,790,464	\$ 3,485,268
Change in net position										
Governmental activities	\$ (117,213)	\$ (409,801)	\$ (652,978)	\$ (475,385)	\$ 215,098	\$ 256,115	\$ 195,154	\$ 209,466	\$ 3,244,127	\$ 379,539
Business-type activities	16,119	(16,574)	(3,693)	(1,064)	(32,196)	(11,864)	(20,719)	(26,033)	(16,109)	(4,632)
Total charter school	\$ (101,094)	\$ (426,375)	\$ (656,671)	\$ (476,449)	\$ 182,902	\$ 244,251	\$ 174,435	\$ 183,433	\$ 3,228,018	\$ 374,907

Source: Charter School's Records

GREATER BRUNSWICK CHARTER SCHOOL
County of Middlesex New Jersey

J-3

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

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ 20,514	\$ 1,402	\$ 25,583	\$ 44,828	\$ 22,875	\$ -	\$ -
Unreserved	779,777	690,377	678,064	689,938	778,972	646,575	608,066	573,388	414,754	179,759
Total general fund	<u>\$ 779,777</u>	<u>\$ 690,377</u>	<u>\$ 678,064</u>	<u>\$ 710,452</u>	<u>\$ 780,374</u>	<u>\$ 672,158</u>	<u>\$ 652,894</u>	<u>\$ 596,263</u>	<u>\$ 414,754</u>	<u>\$ 179,759</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	100,379	94,503	94,421	-	-	-	11,464	15,798	2,095,808	300,323
Debt service fund	553,921	550,294	549,996	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 654,300</u>	<u>\$ 644,797</u>	<u>\$ 644,417</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,464</u>	<u>\$ 15,798</u>	<u>\$ 2,095,808</u>	<u>\$ 300,323</u>

Source: Charter School's Records

GREATER BRUNSWICK CHARTER SCHOOL
County of Middlesex New Jersey

J-4

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

Function	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Local tax levy	\$ 1,676,285	\$ 1,615,566	\$ 1,671,677	\$ 1,786,211	\$ 1,746,224	\$ 1,702,919	\$ 1,447,353	\$ 1,402,762	\$ 1,338,936	\$ 3,278,795
Miscellaneous	76,524	104,310	4,699	22,103	18,380	14,233	47,619	52,437	60,968	42,866
State sources	4,803,331	4,814,628	4,531,724	4,459,673	4,123,365	3,946,747	3,614,112	2,856,052	2,794,624	338,085
Federal sources	368,310	348,285	359,430	403,174	518,751	245,651	176,904	253,146	250,654	148,488
Private sources	-	-	-	10,120	8,415	22,695	10,334	-	-	-
Total revenue	6,924,450	6,882,789	6,567,530	6,681,281	6,415,135	5,932,245	5,296,322	4,564,397	4,445,182	3,808,234
Expenditures										
Instruction	2,719,136	2,813,312	2,888,880	2,797,869	2,613,671	2,370,436	2,251,936	1,971,283	1,846,198	1,474,169
Administration	2,674,097	2,670,172	2,328,788	2,320,360	2,045,812	1,941,072	1,666,695	1,445,901	1,286,598	805,464
Support Services	870,170	839,755	801,384	971,495	979,102	807,018	632,503	560,054	630,077	922,360
Capital Outlay	-	810	194,735	463,870	77,508	244,828	118,265	2,219,639	3,253,874	192,185
Debt Service	546,485	546,047	549,001	7,469,322	548,826	551,092	553,891	231,369	115,798	214,770
Total expenditures	6,809,888	6,870,096	6,762,788	14,022,916	6,264,919	5,914,446	5,223,290	6,428,246	7,132,545	3,608,948
Excess/(deficiency) of revenues over/(under) expenditures	114,562	12,693	(195,258)	(7,341,635)	150,216	17,799	73,032	(1,863,849)	(2,687,363)	199,286
Other Financing Sources/(Uses)										
Bond/Loan Proceeds	-	-	-	8,090,000	-	-	-	-	4,725,542	191,472
Prior Years Disallowed Costs	-	-	-	-	-	-	-	-	-	-
Prior Year Accounts Payable Canceled	-	-	-	-	-	-	-	-	-	2,459
Transfers In	546,485	546,047	573,001	567,763	548,826	581,092	553,891	337,921	323,023	364,795
Transfers (Out)	(562,144)	(546,047)	(573,001)	(578,763)	(590,826)	(591,092)	(574,626)	(372,571)	(330,723)	(383,365)
	(15,659)	-	-	8,079,000	(42,000)	(10,000)	(20,735)	(34,650)	4,717,842	175,361
Net change in fund balances	\$ 98,903	\$ 12,693	\$ (195,258)	\$ 737,365	\$ 108,216	\$ 7,799	\$ 52,297	\$ (1,898,499)	\$ 2,030,479	\$ 374,647
Debt service as a percentage of noncapital expenditures	8.02%	7.95%	8.36%	55.09%	8.87%	9.72%	10.85%	5.50%	2.99%	6.29%

Source: Charter School's Records

Note: Noncapital expenditures are total expenditures less capital outlay.

GREATER BRUNSWICK CHARTER SCHOOL
County of Middlesex New Jersey

J-5

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

Function	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Fund raising	\$ -	\$ -	\$ -	\$ 490	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rent	-	-	-	-	-	-	-	-	-	-
Prior year's refunds	-	-	-	3,324	955	2,189	12,277	32,367	-	-
Class trip fees	-	-	-	930	11,333	1,622	3,243	-	-	-
Yearbook sales	-	-	-	3,698	3,695	2,348	3,348	-	-	-
Insurance reimbursements	-	-	-	3,503	-	-	9,642	-	-	-
Donations	-	-	-	6,299	287	1,671	1,611	-	-	-
Interest	-	-	52	393	939	-	-	-	-	-
Miscellaneous	67,021	72,925	4,647	3,427	1,171	2,531	17,332	14,032	46,141	20,571
	-	-	-	-	-	-	-	-	-	-
Total other local revenue	<u>\$ 67,021</u>	<u>\$ 72,925</u>	<u>\$ 4,699</u>	<u>\$ 22,064</u>	<u>\$ 18,380</u>	<u>\$ 10,361</u>	<u>\$ 47,453</u>	<u>\$ 46,399</u>	<u>\$ 46,141</u>	<u>\$ 20,571</u>

Source: Charter School's Records

GREATER BRUNSWICK CHARTER SCHOOL
County of Middlesex New Jersey

J-10

Ratio of Outstanding Debt By Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities					Business-Type Activities	Total Charter School	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Long Term Loans	Short Term Loans	Capital Leases			
2009	\$ -	\$ -	\$ -	\$ 2,455,623	\$ 395,000	\$ -	\$ 2,850,623	0.12%	59
2010	-	-	-	7,550,000	-	-	7,550,000	0.32%	165
2011	-	-	-	7,463,925	-	-	7,463,925	0.29%	160
2012	-	-	-	7,255,275	-	-	7,255,275	0.27%	148
2013	-	-	-	7,038,458	-	-	7,038,458	0.25%	140
2014	-	-	-	6,813,904	-	-	6,813,904	0.24%	136
2015	8,022,500	-	-	-	-	-	8,022,500	0.27%	153
2016	7,937,083	-	-	-	-	-	7,937,083	0.26%	148
2017	7,847,500	-	-	-	-	-	7,847,500	0.26%	147
2018	7,752,916	-	-	-	-	-	7,752,916	0.25%	145

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

GREATER BRUNSWICK CHARTER SCHOOL
County of Middlesex New Jersey

J-14

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>County Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2009	50,904	\$ 2,456,016,192	\$ 48,248	3.90%
2010	51,579	2,363,813,991	45,829	5.00%
2011	55,004	2,561,646,288	46,572	8.10%
2012	55,525	2,714,228,575	48,883	8.10%
2013	55,814	2,805,267,454	50,261	7.90%
2014	56,556	2,842,900,452	50,267	7.70%
2015	56,774	2,979,840,164	52,486	6.90%
2016	57,035	3,049,490,345	53,467	6.20%
2017	56,910	3,042,806,970	53,467	6.20%
2018	56,910	3,042,806,970	53,467	6.20%

Source:

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

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

^c Personal capital income by municipality estimated based upon the 2000 Cesus published by the US Bureau of Economic Analysis.

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

GREATER BRUNSWICK CHARTER SCHOOL
County of Middlesex New Jersey

J-15

Principal Employers
Current Year
(Unaudited)

<u>Employer</u>	2018		
	Employees	Rank	Percentage of
	Employees	[Optional]	Total Municipal
	a	a	Employment
Robert Wood Johnson University Hospital	5,125	1	16.86%
Novo Nordisk	4,625	2	15.21%
Wakefern Food Corp	3,625	3	11.92%
Bristol-Myers Squibb	3,125	4	10.28%
St. Peter's University Hospital	2,875	5	9.46%
JFK Medical Center	2,625	6	8.63%
Silverline Building Products	2,275	7	7.48%
Johnson & Johnson	2,125	8	6.99%
Raritan Bay Medical Center	2,125	9	6.99%
Home Depot	1,875	10	6.17%
	30,395		100.00%

Source: Web Site: <http://www.middlesexcountynj.gov/Government/Departments/Documents/2014>

GREATER BRUNSWICK CHARTER SCHOOL
County of Middlesex New Jersey

J-16

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

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Instruction										
Regular	34	34	34	32	32	34	35	33	30	-
Special education	10	10	10	10	10	7	5	4	4	-
Other instruction	7	7	7	7	7	7	6	6	5	-
Support Services:										
Student & instruction related services	2	2	2	2	2	2	2	2	2	-
General administration	8	8	10	10	11	8	8	7	7	-
School administrative services	-	-	-	-	-	-	-	-	-	-
Other administrative services	-	-	-	-	-	-	-	-	-	-
Central services	-	-	-	-	-	-	-	-	-	-
Administrative Information Technology	1	1	1	1	1	1	-	-	-	-
Plant operations and maintenance	4	4	4	4	4	3	2	2	2	-
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Total	<u>66</u>	<u>66</u>	<u>68</u>	<u>66</u>	<u>67</u>	<u>62</u>	<u>58</u>	<u>54</u>	<u>50</u>	<u>-</u>

Source: Charter School Personnel Records

GREATER BRUNSWICK CHARTER SCHOOL
County of Middlesex New Jersey

J-17

Operating Statistics

**Last Ten Fiscal Years
(Unaudited)**

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
						Kindergarten	Elementary				
2009	266	\$ 3,205,815	\$ 12,052	11.05%	-	-	-	-	-	-	-
2010	293	3,762,873	12,843	6.56%	26	1:11	1:11	291	277	0.00%	95.19%
2011	316	3,977,239	12,586	-2.00%	27	1:12	1:12	316	301	8.59%	95.25%
2012	329	4,551,133	13,833	9.91%	32	1:10	1:10	329	317	4.11%	96.35%
2013	356	5,079,671	14,269	3.15%	32	1:11	1:11	354	338	7.60%	95.48%
2014	378	5,614,165	14,852	4.09%	32	1:12	1:12	377	360	6.50%	95.49%
2015	382	6,089,724	15,942	7.33%	32	1:12	1:12	381	363	1.06%	95.28%
2016	387	6,089,724	15,736	-1.29%	32	1:12	1:12	381	363	0.00%	95.28%
2017	391	6,869,286	17,569	11.65%	51	1:12	1:12	391	373	2.62%	95.40%
2018	393	6,809,888	17,328	-1.37%	51	1:12	1:12	393	373	0.51%	95.00%

Sources: Charter School records

Note: Enrollment based on annual June Charter School count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance

GREATER BRUNSWICK CHARTER SCHOOL
County of Middlesex New Jersey

J-18

School Building Information
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Square Feet	40,164	40,164	40,164	40,164	40,164	40,164	40,164	40,164	21,000	21,000
Capacity (students)	400	400	400	400	380	360	360	360	207	207
Enrollment	393	387	387	382	377	354	329	316	229	263

Source: School Records

GREATER BRUNSWICK CHARTER SCHOOL
County of Middlesex New Jersey

J-19

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

2009	\$ -
2010	-
2011	-
2012	-
2013	-
2014	-
2015	-
2016	271,836
2017	239,007
2018	296,028
	-
Total	<u>\$ 806,871</u>

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

Source: Charter School records

GREATER BRUNSWICK CHARTER SCHOOL
County of Middlesex New Jersey

J-20

Insurance Schedule

June 30, 2018
(Unaudited)

	Coverage
Commercial property and general liability:	
Property:	
Building and Contents	\$ 9,400,000
Electronic Data Processing	500,000
Boiler & Machinery	0
Crime Coverage:	
Blanket Faithful Performance	25,000
Money & Securities	10,000
Money Orders/Counterfeit	10,000
Depositors' Forgery	25,000
Bond Board Secretary	161,000
Bond Board Treasurer	161,000
Comprehensive General Liability:	
Single Limit for Bodily Injury/Property Damage	2,000,000
Products/Completed Operations Aggregate	2,000,000
Annual Aggregate for Child Molestations/Sexual Abuse	2,000,000
Each Occurrence for Personal Injury/Advert Injury	2,000,000
Each Claim for Employee Benefits Liability	2,000,000
Premise Medical Payments Per Person	5,000
Premise Medical Payments Per Accident	5,000
Automobile Liability	2,000,000
Supplemental Indemnity - 7-day waiting period	Statutory
School Leaders Errors & Omissions:	
Coverage A - Limit of Liability	1,000,000
Coverage A - Deductible	5,000
Coverage B - Limit of Liability	100,000
Coverage B - Each Policy Period	300,000
Coverage B - Deductible	5,000
Workman's Compensation	
(Each Accident, Each Employee, Policy Limit)	1,000,000
Student Accident	1,000,000

GREATER BRUNSWICK CHARTER SCHOOL
County of Middlesex New Jersey

J-21

Charter School Performance Framework Financial Indicators
New Term Indicators

June 30, 2018
(Unaudited)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	
Cash	\$ 1,299,183	\$ 928,825	\$ 995,345	
Current assets	788,307	807,160	731,499	
Capital assets, net	7,388,975	7,627,138	7,873,660	
Total assets	<u>9,476,465</u>	<u>9,363,123</u>	<u>9,600,504</u>	
Current liabilities	720,199	494,376	476,353	
Long term liabilities	7,653,333	7,752,916	7,847,500	
Total liabilities	<u>8,373,532</u>	<u>8,247,292</u>	<u>8,323,853</u>	
Net position	<u>\$ 1,102,933</u>	<u>\$ 1,115,831</u>	<u>\$ 1,276,651</u>	
Total revenue	\$ 7,273,701	\$ 7,239,581	\$ 6,940,017	
Total expenses	(7,390,454)	(7,665,956)	(7,596,688)	
Change in net position	<u>\$ (116,753)</u>	<u>\$ (426,375)</u>	<u>\$ (656,671)</u>	
Depreciation expense	\$ 239,807	\$ 246,522	\$ 253,514	
Interest expense	451,902	456,464	463,584	
Principal payments	94,583	89,583	85,417	
Interest payments	451,902	456,464	463,584	
Final average daily enrollment	393	391	381	
March 30th budgeted enrollment	383	383	383	
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>Three Year Cumulative</u>
NEAR TERM INDICATORS:				
Current ratio	2.90	3.51	3.63	10.04
Unrestricted days cash	64.16	44.22	47.82	156.21
Enrollment variance	103%	102%	99%	101%
Default	No	No	No	No

Source: Charter School Records

GREATER BRUNSWICK CHARTER SCHOOL
County of Middlesex New Jersey

J-22

Charter School Performance Framework Financial Indicators
Sustainability Indicators

June 30, 2018
(Unaudited)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Cash	\$ 1,299,183	\$ 928,825	\$ 995,345
Current assets	788,307	807,160	731,499
Capital assets, net	7,388,975	7,627,138	7,873,660
Total assets	<u>9,476,465</u>	<u>9,363,123</u>	<u>9,600,504</u>
Current liabilities	720,199	494,376	476,353
Long term liabilities	7,653,333	7,752,916	7,847,500
Total liabilities	<u>8,373,532</u>	<u>8,247,292</u>	<u>8,323,853</u>
Net position	<u>\$ 1,102,933</u>	<u>\$ 1,115,831</u>	<u>\$ 1,276,651</u>
Total revenue	\$ 7,273,701	\$ 7,239,581	\$ 6,940,017
Total expenses	(7,390,454)	(7,665,956)	(7,596,688)
Change in net position	<u>\$ (116,753)</u>	<u>\$ (426,375)</u>	<u>\$ (656,671)</u>
Depreciation expense	\$ 239,807	\$ 246,522	\$ 253,514
Interest expense	451,902	456,464	463,584
Principal payments	94,583	89,583	85,417
Interest payments	451,902	456,464	463,584
Final average daily enrollment	393	391	381
March 30th budgeted enrollment	383	383	383

	<u>2018</u>	<u>2017</u>	<u>2016</u>	Three Year Cumulative
SUSTAINABILITY INDICATORS:				
Total margin	-1.6%	-5.9%	-9.5%	-5.6%
Debt to asset	0.81	0.83	0.82	0.88
Cash flow	\$ 370,358	\$ (66,520)	\$ (417,292)	\$ (113,454)
Debt service coverage ratio	1.05	0.51	0.11	0.556

Source: Charter School Records

Single Audit Section

Olugbenga Olabintan

Certified Public Accountant/Consultant

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K-1

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Chairperson and
Members of the Board of Trustees
Greater Brunswick Charter School
County of Middlesex
New Brunswick, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greater Brunswick Charter School, in the County of Middlesex, State of New Jersey ("the Charter School"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued our report thereon, dated February 7, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did 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 Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*.

Purpose of this Report

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

Olugbenga Olabintan, CPA

February 7, 2019
Newark, New Jersey

OLUGBENGA OLABINTAN
Certified Public Accountant/Consultant



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

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K-2

Independent Auditor's Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance Required by the State of New Jersey OMB's Circular Letter 15-08

The Honorable Chairperson and
Members of the Board of Trustees
Greater Brunswick Charter School
County of Middlesex,
New Brunswick, New Jersey

Compliance

We have audited the Greater Brunswick Charter School, in the County of Middlesex, State of New Jersey ("the Charter School") compliance with the types of compliance requirements described in the *State of New Jersey Department of Treasury Circular 15-08-OMB Compliance Supplement* that could have a direct and material effect on each of the Charter School's major state programs for the year ended June 30, 2018. The Charter School's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Charter School's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of New Jersey Department of the Treasury Circular Letter 15-08 OMB *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*.

Those standards, State of New Jersey Department of Treasury Circular 15-08-OMB and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the Charter School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State of New Jersey Department of Treasury Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of New Jersey Department of Treasury Circular 15-08-OMB and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*. Accordingly, this report is not suitable for any other purpose.

Olugbenga Olabintan, CPA

February 7, 2019
Newark, New Jersey

OLUGBENGA OLABINTAN
Certified Public Accountant/Consultant

A handwritten signature in black ink, appearing to read 'Olugbenga Olabintan', with a horizontal line underneath it.

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

GREATER BRUNSWICK CHARTER SCHOOL

Schedule of Expenditures of Federal Awards

Year ended June 30, 2018

Federal Grant/ Pass-Through Grantor/ Program Title	Federal C.F.D.A No.	Federal Award Identification Number	Grant Period	Award Amount	(Accounts Receivable) at June 30, 2017	Deferred Revenue at June 30, 2017	Due to Grantor at June 30, 2017	Adjustments	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2018	Deferred Revenue at June 30, 2018	Due to Grantor at June 30, 2018
Special Revenue Fund:															
U.S. Department of Education:															
Passed-Through State Department of Education															
Title I Part A - FY 2017-2018	84.010A	S010A160030	7/1/17-6/30/18	\$ 230,527	\$ -	\$ -	\$ -	\$ -	\$ 230,527	\$ (230,527)	\$ -	\$ -	\$ -	\$ -	\$ -
Title II A - FY 2017-2018	84.367A	S367A160029	7/1/17-6/30/18	19,321	-	-	-	-	19,321	(19,321)	-	-	-	-	-
Title III - FY 2017-2018	84.365	S365A170030	7/1/17-6/30/18	19,195	-	-	-	-	19,195	(19,195)	-	-	-	-	-
Title IV - FY 2017-2018	8 4.424	S424A170031	7/1/17-6/30/18	10,000	-	-	-	-	10,000	(10,000)	-	-	-	-	-
IDEA Part B - FY 2017-2018	84.027	H027A170100	7/1/17-6/30/18	87,926	-	-	-	-	87,926	(87,926)	-	-	-	-	-
IDEA Preschool - FY 2017-2018	84.173	H173A170114	7/1/17-6/30/18	1,341	-	-	-	-	1,341	(1,341)	-	-	-	-	-
Total Special Revenue/U.S. Department of Education					-	-	-	-	368,310	(368,310)	-	-	-	-	-
Enterprise Fund:															
U.S. Department of Agriculture															
Passed-Through New Jersey Dept of Agriculture															
National school lunch program	10.555	171NJ304N1099	7/1/17-6/30/18	167,501	-	-	-	-	152,622	(167,501)	-	(14,879)	-	-	-
National school lunch program	10.555	16161NJ304N1099	7/1/16-6/30/17	166,597	(16,009)	-	-	-	16,009	-	-	-	-	-	-
National school breakfast program	10.553	171NJ304N1099	7/1/17-6/30/18	118,082	-	-	-	-	107,727	(118,082)	-	(10,355)	-	-	-
National school breakfast program	10.553	16161NJ304N1099	7/1/16-6/30/17	117,488	(11,302)	-	-	-	11,302	-	-	-	-	-	-
After school snack program	10.555	171NJ304N1099	7/1/17-6/30/18	5,722	-	-	-	-	5,189	(5,722)	-	(533)	-	-	-
After school snack program	10.555	16161NJ304N1099	7/1/16-6/30/17	5,550	(492)	-	-	-	492	-	-	-	-	-	-
Healthy, Hunger-Free Kids Act	10.555	171NJ304N1099	7/1/17-6/30/18	3,487	-	-	-	-	3,182	(3,487)	-	(305)	-	-	-
Healthy, Hunger-Free Kids Act	10.555	16161NJ304N1099	7/1/16-6/30/17	3,491	(333)	-	-	-	333	-	-	-	-	-	-
Total Enterprise Fund/U.S. Department of Agriculture					(28,136)	-	-	-	296,856	(294,792)	-	(26,072)	-	-	-
Total Expenditures of Federal Awards					\$ (28,136)	\$ -	\$ -	\$ -	\$ 665,166	\$ (663,102)	\$ -	\$ (26,072)	\$ -	\$ -	\$ -

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

GREATER BRUNSWICK CHARTER SCHOOL

Schedule of Expenditures of State Awards

Year ended June 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	(Accounts Receivable) at June 30, 2017	Deferred Revenue at June 30, 2017	Due to Grantor at June 30, 2017	Adjustments	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2018	Deferred Revenue at June 30, 2018	Due to Grantor at June 30, 2018
State Department of Education														
General Fund:														
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	\$ 5,271,831	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,847,778	\$ (5,271,831)	-	\$ (533,914)	\$ -	\$ 42,033
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	5,249,802	(504,717)	-	79,229	-	-	504,717	-	(79,229)	-	-	-
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	215,419	-	-	-	-	-	215,419	(215,419)	-	-	-	-
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	122,604	-	-	-	-	-	122,604	(122,604)	-	-	-	-
State Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	217,838	-	-	-	-	-	197,192	(217,838)	-	(20,646)	-	-
State Adjustment Aid	18-495-034-5120-085	7/1/16-6/30/17	219,128	(20,646)	-	-	-	-	20,646	-	-	-	-	-
TPAF/FICA Reimbursements	18-495-034-5094-003	7/1/17-6/30/18	163,114	-	-	-	-	-	151,150	(163,114)	-	(11,964)	-	-
TPAF/FICA Reimbursements	17-495-034-5094-003	7/1/16-6/30/17	158,121	(57,929)	-	-	-	-	57,929	-	-	-	-	-
TPAF Post Retirement Medical Contribution	18-495-034-5094-001	7/1/17-6/30/18	191,522	-	-	-	-	-	191,522	(191,522)	-	-	-	-
TPAF Pension Contribution - Normal & NCGI	18-495-034-5094-002	7/1/17-6/30/18	296,531	-	-	-	-	-	296,531	(296,531)	-	-	-	-
TPAF Pension Contribution - Long-Term Disability Insurance	18-495-034-5094-004	7/1/17-6/30/18	757	-	-	-	-	-	757	(757)	-	-	-	-
Total General Fund/State Department of Education				<u>(583,292)</u>	<u>-</u>	<u>79,229</u>	<u>-</u>	<u>-</u>	<u>7,606,245</u>	<u>(6,479,616)</u>	<u>(79,229)</u>	<u>(566,524)</u>	<u>-</u>	<u>42,033</u>
State Department of Agriculture														
Enterprise Fund:														
State school lunch program	18-100-010-3350-023	7/1/17-6/30/18	3,164	-	-	-	-	-	2,887	(3,164)	-	(277)	-	-
State school lunch program	17-100-010-3350-023	7/1/16-6/30/17	3,115	(298)	-	-	-	-	298	-	-	-	-	-
Total Enterprise Fund/State Department of Agriculture				<u>(298)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,185</u>	<u>(3,164)</u>	<u>-</u>	<u>(277)</u>	<u>-</u>	<u>-</u>
Total State Financial Assistance				<u>\$ (583,590)</u>	<u>\$ -</u>	<u>\$ 79,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,609,430</u>	<u>(6,482,780)</u>	<u>\$ (79,229)</u>	<u>\$ (566,801)</u>	<u>\$ -</u>	<u>\$ 42,033</u>
Less Amounts Not Subject to Single Audit:														
TPAF Post Retirement Medical Contribution										191,522				
TPAF Pension Contribution - Normal & NCGI										296,531				
TPAF Pension Contribution - Long-Term Disability Insurance										757				
Total Expenditures of State Financial Assistance Subject to Single Audit										<u>\$ (5,993,970)</u>				

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2018

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all expenditures of federal awards and state financial assistance of the Charter School. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2018

3. Relationship to Basic Financial Statements - *continued*

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 6,479,616	\$ 6,479,616
Special Revenue Fund	368,310	-	368,310
Enterprise Fund	294,792	3,164	297,956
Total	<u>\$ 663,102</u>	<u>\$ 6,482,780</u>	<u>\$ 7,145,882</u>

4. Relationship to Federal and State Financial Reports

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

5. Other Information

TPAF Social Security contribution in the amount of \$163,114 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2018. The amount reported as TPAF pension representing on-behalf employer's portion of the TPAF Pension System Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long Term Disability Insurance Premium Contributions in the amount of \$488,810 represents the amount paid by the State on behalf of the Charter School for the fiscal year ended June 30, 2018.

6. On Behalf Programs Not Subject to State Single Audit

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

7. De Minimis Indirect Cost

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

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2018

Part I - Summary of Auditors' Results

Financial Statements Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? _____ Yes No

Significant deficiencies identified _____ Yes None reported

Noncompliance material to financial statements noted? _____ Yes No

Federal Awards:

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

For the fiscal year ended June 30, 2018, the Charter School was determined to expend less than \$750,000 in federal awards and was therefore exempt from the federal single audit requirements for 2018.

GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2018

Part I Summary of Auditors' Results

State Financial Assistance Section

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

Auditee qualifies as low-risk auditee? yes No

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

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(cies) identified that are not
 Considered to be material weaknesses? Yes None reported

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

Identification of Major Programs:

<u>State Grant/Program Number(s)</u>	<u>Name of State Program or Cluster</u>
18-495-034-5120-078	Equalization Aid
18-495-034-5120-089	Special Education Aid
18-495-034-5120-084	Security Aid
18-495-034-5120-085	State Adjustment Aid

**GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2018**

Part II – Schedule of Financial Statement Findings

NONE

**GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2018**

Part III – Federal Awards Findings and Questioned Cost

NOT APPLICABLE FOR 2018

Part III – State Financial Assistance Findings and Questioned Cost

NONE

**GREATER BRUNSWICK CHARTER SCHOOL
(County of Middlesex)
Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2018**

There were no prior year's audit findings.

GREATER BRUNSWICK CHARTER SCHOOL

Schedule of Expenditures of Local Financial Assistance

Year ended June 30, 2018

<u>Local Grantor/Program Title</u>	<u>Grant or Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>(Accounts Receivable) at June 30, 2017</u>	<u>Deferred Revenue at June 30, 2017</u>	<u>Due to Grantor at June 30, 2017</u>	<u>Adjustments</u>	<u>Carryover (Walkover) Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Repayment of Prior Years' Balances</u>	<u>(Accounts Receivable) at June 30, 2018</u>	<u>Deferred Revenue at June 30, 2018</u>	<u>Due to Grantor at June 30, 2018</u>
Friends of Greater Brunswick Charter School	Not Available	Not Available	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -
Rutgers Community Health Foundation Summer Enrichment	Not Available	Not Available	30,000	-	-	-	-	-	30,000	-	-	-	30,000	-
Total Expenditures of Local Financial Assistance				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,000</u>	<u>\$ -</u>