

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
OF NEW JERSEY  
FOR THE FISCAL PERIOD ENDED JUNE 30, 2018**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**JUNE 30, 2018**  
**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Letter of Transmittal .....	1
Roster of Trustees and Officers.....	5
Consultants and Advisors.....	6

**FINANCIAL SECTION**

Independent Auditor's Report on General Purpose Financial Statements and Supplementary Schedule of Expenditures of Federal Awards and State Financial Assistance .....	7
Required Supplementary Information - Part I Management's Discussion and Analysis .....	10

**Basic Financial Statements:**

**A. School-wide Financial Statements**

A-1 Statement of Net Position .....	20
A-2 Statement of Activities.....	21

**B. Fund Financial Statements:**

**Governmental Funds:**

B-1 Balance Sheet .....	22
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances .....	23
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	24

**Proprietary Funds:**

B-4 Statement of Net Position.....	25
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position .....	26
B-6 Statement of Cash Flows.....	27

**Fiduciary Funds:**

B-7 Statement of Fiduciary Net Position .....	28
B-8 Statement of Changes in Fiduciary Net Position .....	29

<b>Notes to Financial Statements .....</b>	<b>30</b>
--	-----------

**Required Supplementary Information - Part II**

**C. Budgetary Comparison Schedules:**

C-1 Budgetary Comparison Schedule General Fund .....	60
C-2 Budgetary Comparison Schedule Special Revenue Fund.....	63

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**JUNE 30, 2018**  
**TABLE OF CONTENTS**

**Notes to Required Supplementary Information:**

C-3 Budget to GAAP Reconciliation .....65

**Required Supplementary Information - Part III**

**L. Schedules Related to Accounting and Reporting for Pensions (GASB 68):**

L-1 Schedule of the Charter School’s Proportionate Share of the Net Pension Liability-PERS .....66  
L-2 Schedule of Charter School Contributions - PERS .....67  
L-3 Schedule of the Charter School Proportionate Share of the Net Pension Liability-TPAF.....68  
L-4 Notes to Required Supplementary Information Pension Schedules.....69  
L-5 Schedule of Changes in the Charter School Proportionate Share of Proportionate Share of  
Total OPEB Liability .....70

**Other Supplementary Information**

**E. Special Revenue Fund:**

E-1 Combining Schedule of Program Revenues and Expenditures,  
Special Revenue Fund - Budgetary Basis .....71

**G. Proprietary Funds:**

**Enterprise Fund:**

G-1 Combining Statement of Net Position .....72  
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....73  
G-3 Combining Statement of Cash Flows .....74

**Fiduciary Funds:**

H-1 Combining Statement of Fiduciary Net Position .....75  
H-2 Combining Statement of Changes in Fiduciary Net Position .....76  
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements .....77  
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements .....78  
H-5 Unemployment Compensation Insurance Trust Fund .....79

**J. Financial Trends:**

J-1 Net Position by Component .....80  
J-2 Changes in Net Position .....81  
J-3 Fund Balances – Governmental Funds.....82  
J-4 Changes in Fund Balances – Governmental funds.....83

**J. Revenue Capacity:**

J-5 General Fund - Other Local Revenue by Source .....84  
J-6 Assessed Value and Actual Value of Taxable Property.....85

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**JUNE 30, 2018**  
**TABLE OF CONTENTS**

J-7 Direct and Overlapping Properties .....86  
 J-8 Principal Property Taxpayers .....87

**J. Debt Capacity:**

J-9 Property Tax Levies and Collections .....88  
 J-10 Ratios of Outstanding Debt by Type.....89  
 J-11 Ratios of Net General Bonded Debt Outstanding .....90  
 J-12 Direct and Overlapping Governmental Activities Debt.....91

**J. Demographic and Economic Information:**

J-13 Legal Debt Margin Information .....92  
 J-14 Demographic and Economic Statistics.....93

**J. Operating Information:**

J-15 Principal Employers .....94  
 J-16 Full Time Equivalent Charter School Employees by Function/Program.....95  
 J-17 Operating Statistics .....96  
 J-18 School Building Information.....97  
 J-19 General Fund-Schedule of Required Maintenance .....98  
 J-20 Insurance Schedule.....99

**J. Charter School Performance Framework Financial Indicators:**

J-21 Near Term Indicators .....100  
 J-22 Sustainability Indicators .....101

**SINGLE AUDIT SECTION K.**

K-1 Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of  
 Financial Statements Performed in Accordance with *Government Auditing Standards* .....102  
 K-2 Report on Compliance with Requirements Applicable to Each Major Program and Internal  
 Control Over Compliance in Accordance with The Uniform Guidance and New Jersey  
 OMB Circular letter 15-08.....104  
 K-3 Schedule of Expenditures of Federal Awards, Schedule A .....107  
 K-4 Schedule of Expenditures of State Financial Assistance, Schedule B.....108  
 K-5 Notes to the Schedule of Awards and Financial Assistance .....109  
 K-6 Schedule of Findings of Noncompliance .....111  
 K-7 Summary Schedule of Prior Audit Findings .....115



February 7, 2019

Commissioner  
New Jersey Department of Education  
100 Riverview Executive Plaza  
CN 500  
Trenton, NJ 08625

Dear Commissioner:

The Comprehensive Annual Financial Report of the College Achieve Greater Asbury Park Charter School for the fiscal period ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the school. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the school. All disclosures necessary to enable the reader to gain an understanding of the school's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter and list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report. The statistical section includes audited data from the school's first six fiscal years. The school is required to undergo an annual single audit in conformity with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (U.S. Uniform Guidance), "Audits of State and Local Governments and Non-Profit Organizations," and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws and regulations and findings and recommendations is included in the single audit section of this report.

- 1) **REPORTING ENTITY AND ITS SERVICES** The College Achieve Greater Asbury Park Charter School constitutes an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and account groups of the entity are included in this report.

2) **ENROLLMENT OUTLOOK:** College Achieve Greater Asbury Park Charter School opened in September, 2017 with a full class of 75 Kindergarten scholars. College Achieve plans to grow by one grade per year until fully enrolled as a K-12 school with 675 scholars.

3) **MAJOR ACCOMPLISHMENTS**

- New location for the 2019-2020 school year
- Attendance is a consistently growing and enrollment has already begun for the 2019-2020 school year
- Teaching Staff is highly qualified in subject matter
- ELA and Math scores have increased significantly as reflected on ANet assessments
- Awarded the The Warm Jacket Fund at the Community Foundation of New Jersey (CFNJ) grant allowing College Achieve Greater Asbury Park to collaborate with the National Winter Activity Center to have our scholars participate in skiing and snowboarding

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

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

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

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

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

reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balances at June 30, 2018.

- 6) **ACCOUNTING SYSTEM AND REPORTS:** The Charter Schools’ accounting records reflect generally accepted accounting principles, as promulgated by the Government Accounting Standards Board (GASB). The accounting system of the school is organized on the basis of funds and account groups. These funds and account groups are explained in “Notes to the Financial Statements,” Note 1.
- 7) **FINANCIAL INFORMATION AT FISCAL PERIOD–END:** As demonstrated by the various statements and schedules included in the financial section of report, the school has met its responsibility for sound financial management. The following schedule presents a summary of the General and Special Revenue Funds Revenues for the fiscal period ended June 30, 2018.

Revenue	Amount	Percent of Total
Local Share	\$ 741,179	28%
Special Revenue	116,888	4%
State Sources	1,473,592	55%
Other Local	336,698	13%
Total	\$2,668,357	100%

The following schedule presents a summary of the General and Special Revenue Funds Expenditures for the fiscal period ended June 30, 2018.

Expenditures	Amount	Percent of Total
General	\$2,533,612	95%
Special Revenue	116,888	5%
Total	\$2,650,500	100%

- 8) **CASH MANAGEMENT:** The investment policy of the school is guided in large part by the state Statute as detailed in “Notes to the Financial Statements,” Note 2. The school had adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with failed banking institutions in New Jersey. The law requires governmental units to deposit funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 9) **RISK MANAGEMENT:** The school carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, and hazard and theft insurance on property and contents.

**10) OTHER INFORMATION:**

**Independent Audit** – State statutes require an annual audit by an Independent Certified Public Accountant or Registered Municipal Accountant. The Accounting firm of Gerald D. Longo, CPA was selected by the Charter School.

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

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

Respectfully submitted,



Mr. Brian Falkowski  
School Business Administrator

**COLLEGE ACHIEVE GREATER  
ASBURY PARK CHARTER SCHOOL**

**ROSTER OF TRUSTEES  
JUNE 30, 2018**

<b><u>BOARD OF TRUSTEES</u></b>	<b><u>TERM EXPIRES</u></b>
Dale Caldwell	4/2020
Mary Pat Angelini	4/2019
Frank Fisher	4/2020
Brian Furey	6/2021
Andrew Fesen, President	5/2019
Roger Grutzmacher	5/2020
Kenyatta Stewart	5/2020
Jerry Walker	5/2019
Craig Woolridge	5/2021
Dr. Brian Falkowski, School Business Administrator/Board Secretary	
Marilyn Schlossbach	

**CONSULTANTS AND ADVISORS**  
**June 30, 2018**

**AUDIT FIRM**

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

**ATTORNEYS**

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

**OFFICIAL DEPOSITORY**

PNC Bank  
Pittsburgh, PA

## **FINANCIAL SECTION**

**GERALD D. LONGO**  
CERTIFIED PUBLIC ACCOUNTANT  
62 OLD QUEENS BLVD.  
MANALAPAN, NEW JERSEY 07726-3648

TELEPHONE  
732 446-4768

FAX  
732 792-0868

## **Independent Auditor's Report**

The Honorable Chairman and  
Members of the Board of Trustees  
College Achieve Greater Asbury Park Charter School  
County of Monmouth  
Asbury Park, New Jersey

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Trustees of the College Achieve Greater Asbury Park Charter School, County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the College Achieve Greater Asbury Park Charter School's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the College Achieve Greater Asbury Park Charter School as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 7 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. My 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, which follows this report, the pension and post-employment benefits schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School basic financial statements, The accompanying supplementary information such as the combining and individual fund financial statements and the schedules of expenditures of federal and state awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and New Jersey's OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated February 7, 2019 on my consideration of the College Achieve Greater Asbury Park Charter School's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College Achieve Greater Asbury Park Charter School's internal control over financial reporting and compliance.

Licensed Public School Accountant No. 20CS00206400



Gerald D. Longo  
Certified Public Accountant  
February 7, 2019

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

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited)**

This section of College Achieve Greater Asbury Park Charter School's annual financial report presents its discussion and analysis of the Board's financial performance during the fiscal period that ended on June 30, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the Board's financial statements, which immediately follows this section.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2017-18 fiscal period include the following:

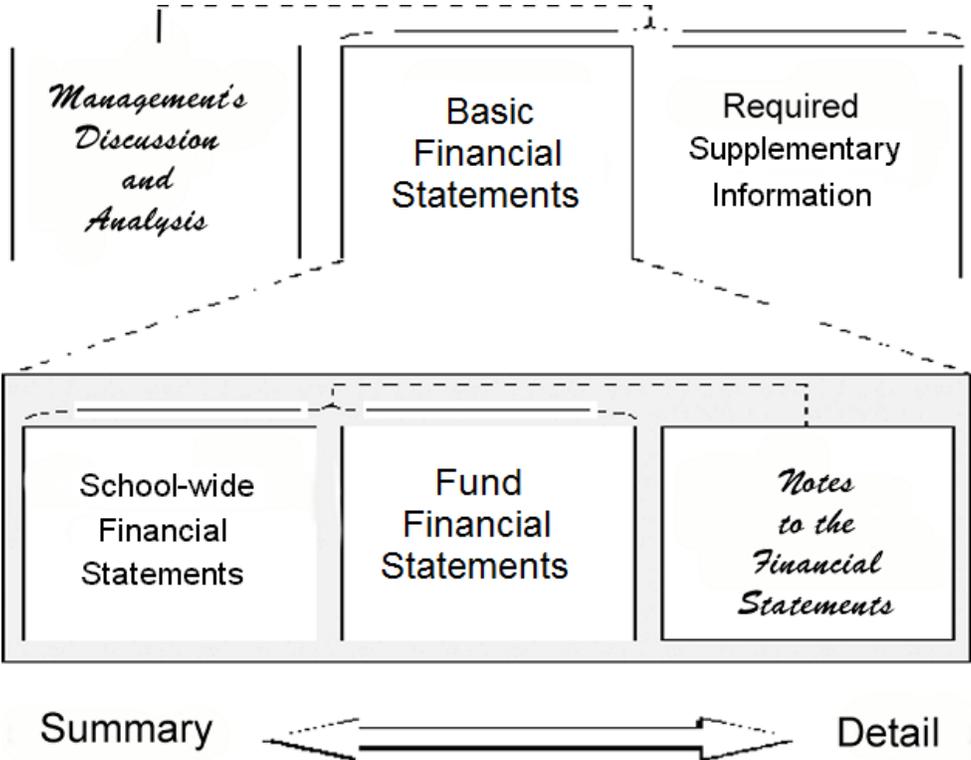
- Total Net Position was \$17,857.
- The unrestricted General Fund balance at June 30, 2018 is \$17,857.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information that includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the College Achieve Greater Asbury Park Charter School.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited)**

**Figure A-1. Required Components of the Board's Annual Financial Report**



- The first two statements are school-wide financial statements that provide both short-term and long-term information about the College Achieve Greater Asbury Park Charter School’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the College Achieve Greater Asbury Park Charter School, reporting the College Achieve Greater Asbury Park Charter School’s operation in more detail than the school-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the Food Service activities. College Achieve Greater Asbury Park Charter School does not operate a food service.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited)**

The financial statements also include notes that explain some of the information in the statements and provide data that are more detailed. Figure A-1 summarizes the major features of the College Achieve Greater Asbury Park Charter School’s financial statements, including the portion of the College Achieve Greater Asbury Park Charter School’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

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

	<u>School-wide Statements</u>	<u>Fund Financial Statements</u>	
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Scope	Entire school (except fiduciary funds)	The activities of the College Achieve Greater Asbury Park Charter School that are for the school operations and not proprietary or fiduciary, such as teachers' salaries, special education and building maintenance, food service, and community education	Activities the College Achieve Greater Asbury Park Charter School operates similar to private businesses: Internal service fund
Required financial statements	Statement of net position	Balance sheet	Statement of net position
	Statement of activities	Statement of revenue expenditures and changes in fund balances	Statement of revenue, expenses, and changes in fund net position
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Statement of cash flows Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited)**

**School-wide Statements**

The school-wide statements report information about the College Achieve Greater Asbury Park Charter School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the College Achieve Greater Asbury Park Charter School’s assets and liabilities. All of the current year’s revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two school-wide statements report the College Achieve Greater Asbury Park Charter School’s net position and how they have changed. Net position – the difference between the College Achieve Greater Asbury Park Charter School’s assets and liabilities – are one way to measure the College Achieve Greater Asbury Park Charter School’s financial health or position.

In the school-wide financial statements, the College Achieve Greater Asbury Park Charter School’s activities are shown in two categories:

- *Governmental activities*- Most of the College Achieve Greater Asbury Park Charter School’s basic services are included here, such as regular and special education, transportation, administration, and community education. Property taxes and state aid finance most of these activities.
- *Business-type activities*- This is not applicable to College Achieve Greater Asbury Park Charter School.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the College Achieve Greater Asbury Park Charter School’s funds – focusing on its most significant or “major” funds – not the College Achieve Greater Asbury Park Charter School as a whole.

Funds are accounting devices the College Achieve Greater Asbury Park Charter School uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited)**

The College Achieve Greater Asbury Park Charter School uses other funds, established in accordance with the State of New Jersey Uniform Chart, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The College Achieve Greater Asbury Park Charter School has three kinds of funds:

- **Governmental funds-** Most of the College Achieve Greater Asbury Park Charter School's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the College Achieve Greater Asbury Park Charter School's programs. Because this information does not encompass the additional long-term focus of the school-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds-** Services for which the College Achieve Greater Asbury Park Charter School charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the school-wide statements.
- **Fiduciary funds-** The College Achieve Greater Asbury Park Charter School is the trustee, or *fiduciary*, for assets that belong to others such as scholarship fund, payroll and payroll agency funds, and student activity funds. The College Achieve Greater Asbury Park Charter School is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the College Achieve Greater Asbury Park Charter School's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. I exclude these activities from the College Achieve Greater Asbury Park Charter School's government-wide financial statements because the College Achieve Greater Asbury Park Charter School cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL AS A WHOLE**

**Net position.** The College Achieve Greater Asbury Park Charter School's net position is \$17,857 as of June 30, 2018. (See Table A-1).

Governmental

\$17,857

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited)**

The College Achieve Greater Asbury Park Charter School's financial position is the product of these factors:

- Special Revenue Fund - Federal Aid Revenues and Expenditures were \$116,888.
- General Fund Revenues were \$2,551,469.
- General Fund Expenditures were \$2,533,612.

**Table A-1**  
**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Statement of Net Position**  
**As of June 30, 2018**

	<u><b>Total</b></u>
Current and Other Assets	\$395,597
Capital Assets (Including Business Activities)	0
<b>Total Assets</b>	<u><b>\$395,597</b></u>
Current and Other Liabilities	\$ 377,740
<b>Total Liabilities</b>	<u><b>\$ 377,740</b></u>
Net Assets:	
Invested In Capital Assets	\$ -
Unrestricted Fund Balance	17,857
<b>Total Net Position</b>	<u><u><b>\$17,857</b></u></u>
Fund Balance - June 30, 2018	\$17,857
Invested In Capital Assets, Net	0
Net Position before Pension Adjustment	<u>17,857</u>
Less: Pension Adjustment	<u>---</u>
Net Position - June 30, 2018	<u><u><b>\$17,857</b></u></u>

Total Governmental Revenues and beginning assets are adjusted by net expenditures resulting in a calculation of net position of \$17,857 as of June 30, 2018.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited)**

**Table A-2**  
**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Changes in Net Position - School Wide**  
**For the Fiscal Year Ended June 30, 2018**

<b>Revenues</b>	<u><b>Total</b></u>
Program revenues	
Charges for services	\$
Operating grants and contributions	
General revenues	
Local Share	741,179
Federal and State Aid-Unrestricted	1,473,592
Federal Aid-Restricted	116,888
Other	336,698
<b>Total revenues - School Wide</b>	<u><b>\$ 2,668,357</b></u>
<b>Expenses</b>	
Regular Instruction	1,194,797
General Administrative	787,158
School Administrative	538,210
On-behalf TPAF Social Security	60,622
Capital Outlay	69,713
<b>Total expenses - School Wide</b>	<u><b>\$ 2,650,500</b></u>
Increase in net position	17,857
Initial Year - Net Position, Beginning of Year July 1, 2017	\$ -
Net Position, End of Year June 30, 2018	<u><b>\$ 17,857</b></u>
Increase in Fund Balance	\$ 17,857
Increase in Net Capital Outlay	<u>0</u>
Net Increase in Net Position	17,857
Net Position - Beginning July 1, 2017 (Initial Year)	<u>---</u>
Net Position - Before Pension Adjustment	<b>17,857</b>
Less Pension adjustment net	---
Net Position - End of Year June 30, 2018	<u><b>\$ 17,857</b></u>

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited)**

Table A-3 (See Exhibit A-2)  
**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Total and Net Cost of Services - School Wide**  
**For the Fiscal Year Ended June 30, 2018**

<u>Functions/Programs</u>	<u>Source</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
<b>Governmental Activities</b>			
Instruction			
Regular	B-2	\$ 1,194,797	\$ 1,194,797
<b>Support Services</b>			
General Administrative Services	B-2	787,158	787,158
School Administrative Services	B-2	538,210	538,210
On-behalf TPAF Social Security	B-2	60,622	60,622
Capital Outlay	B-2	69,713	69,713
<b>Total Governmental Activities</b>		<b>\$ 2,650,500</b>	<b>\$ 2,650,500</b>

**FINANCIAL ANALYSIS OF THE COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL FUNDS**

The financial performance of the College Achieve Greater Asbury Park Charter School as a whole is reflected in its governmental activities Exhibit A-2. As the College Achieve Greater Asbury Park Charter School completed the year, its general funds reported a combined fund balance of \$17,857.

Revenues for the College Achieve Greater Asbury Park Charter School's governmental funds were \$2,668,357 while total Expenses were \$2,595,650. (Table A-4) (Exhibit B-2)

**GENERAL FUND**

The General Fund includes the primary operations of the College Achieve Greater Asbury Park Charter School in providing educational services to students for Kindergarten only.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited)**

The following schedule presents a summary of Government Revenues.

**Table A-4 (See Exhibit B-2)**  
**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Changes in Governmental Revenues - School Wide**  
**For the Fiscal Year Ended June 30**

<b>Revenues - School Wide</b>	<b>Initial Year Ended 06/30/2018</b>
<b>Local Sources:</b>	
Local Share	\$ 741,179
Other Local Revenue	336,698
<b>Total Local Sources</b>	<b>\$ 1,077,877</b>
<b>Intergovernmental</b>	
State Sources	\$ 1,473,592
Federal Sources	116,888
<b>Total Intergovernmental Sources</b>	<b>1,590,480</b>
<b>Total Revenue School Wide</b>	<b>\$ 2,668,357</b>

The following schedule presents a summary of Governmental Expenditures.

**Table A-5 (See Exhibit B-2)**  
**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Changes in Expenditures - School Wide**  
**For the Fiscal Year Ended June 30**

<b>Expenditures - School Wide</b>	<b>Initial Year Ended 06/30/2018</b>
<b>Current:</b>	
Regular Instruction	\$ 1,194,797
General Administrative Services	787,158
School Administration	538,210
On-behalf TPAF Social Security	60,622
Capital outlay	69,713
<b>Total Expenditures - School Wide</b>	<b>\$ 2,650,500</b>

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
(Unaudited)**

**UNRESERVED-UNDESIGNATED FUND BALANCE AS A PERCENTAGE OF EXPENDITURES**

The following table shows the General Fund unreserved-undesignated fund balance.

**Table A-6  
COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Changes in Net Position  
and Expenditures- School Wide  
For the Fiscal Year Ended June 30**

<b>General Fund</b>	<b><u>2018</u></b>
Unreserved-Undesignated Fund Balance	17,857
Expenditures	2,650,500
Percentages	.7%

The College Achieve Greater Asbury Park Charter School values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year. The fund balance designated to support the subsequent years budget is \$17,857 for the 2018-19 school year.

**FACTORS BEARING ON THE SCHOOL'S FUTURE**

While many factors influence the Charter School's future, the availability of State funding and the economy will have the most impact on educational and fiscal decisions in the future.

These and many other factors were considered by the Charter School's administration during the process of developing the fiscal year 2018-19 budget. The primary factors were the Charter School's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs. These indicators were considered when adopting the budget for fiscal year 2018-2019.

**CONTACTING THE COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the College Achieve Greater Asbury Park Charter School's finances and to demonstrate the College Achieve Greater Asbury Park Charter School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, College Achieve Greater Asbury Park Charter School, 700 Grand Avenue, Asbury Park, NJ 07712

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the College Achieve Greater Asbury Park Charter School's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2018.

**SCHOOL-WIDE FINANCIAL STATEMENTS**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Statement of Net Position**  
**As of June 30, 2018**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,104	\$ -	\$ 11,104
Accounts Receivable	415,517	-	415,517
Capital assets, net	-	-	-
Total Assets	<u>426,621</u>	<u>-</u>	<u>426,621</u>
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u>\$ 426,621</u>	<u>\$ -</u>	<u>\$ 426,621</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 267,183	\$ -	\$ 267,183
Payable to school districts	141,581	-	141,581
Total liabilities	<u>408,764</u>	<u>-</u>	<u>408,764</u>
<b>Deferred inflows of resources</b>	-	-	-
<b>NET POSITION</b>			
Invested in capital assets, net	-	-	-
Unrestricted	17,857	0	17,857
Total net position	<u>\$ 17,857</u>	<u>\$ -</u>	<u>\$ 17,857</u>

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

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues		Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
Instruction:						
Regular	\$ (1,194,797)		\$ (116,888)		\$ (1,077,909)	\$ (1,077,909)
Support services:						
General administratrion	(787,158)		-		(787,158)	(787,158)
School administrative services/ operations plant serv.	(538,210)				(538,210)	(538,210)
On - behalf TPAF Social Security	(60,622)				(60,622)	(60,622)
Capital Outlay	(69,713)				(69,713)	(69,713)
Total governmental activities	<u>(2,650,500)</u>		<u>(116,888)</u>		<u>(2,533,612)</u>	<u>(2,533,612)</u>
Business-type activities:						
Total business-type activities	-					(2,533,612)
Total primary government	<u>\$ (2,650,500)</u>		<u>\$ (116,888)</u>		<u>\$ (2,533,612)</u>	<u>\$ (2,533,612)</u>
General revenues:						
Local Share				\$ 741,179		\$ 741,179
State Share				1,295,164	-	1,295,164
State and Federal Aid				178,428		178,428
Miscellaneous Income				336,698		336,698
Increase in net Capital Outlay				0		0
Total General Revenues, Special Items, Extraordinary				<u>2,551,469</u>	-	<u>2,551,469</u>
Change in Net Position				17,857	0	17,857
Net Position - July 1, 2017 - Initial Year						0
Net Position - June 30, 2018				<u>\$ 17,857</u>	<u>\$ -</u>	<u>\$ 17,857</u>

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

## **FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Balance Sheet**  
**Governmental Funds**  
**As of June 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,104	\$ -	\$ 11,104
Accounts Receivable	384,493	31,024	415,517
Total assets	<u>\$ 395,597</u>	<u>\$ 31,024</u>	<u>\$ 426,621</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 236,159	\$ 31,024	\$ 267,183
Payable to School Districts	141,581		141,581
Total liabilities	<u>377,740</u>	<u>31,024</u>	<u>408,764</u>
Fund Balances:			
Unreserved, reported in:			
General fund	17,857		17,857
Total Fund balances	<u>17,857</u>		<u>17,857</u>
Total liabilities and fund balances	<u>\$ 395,597</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. The cost of the assets is and the accumulated depreciation

Net position before pension adjustments 17,857

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 5) -

Deferred Inflows related to pension actuarial gains from experience and differences in actual returns and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 5) -

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 5) -

Net position of governmental activities \$ 17,857

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

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2018**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Local Sources:			
Local Share	\$ 741,179	\$ -	\$ 741,179
State Share	1,295,164	-	1,295,164
Miscellaneous	336,698	-	336,698
Total - Local Sources	<u>2,373,041</u>	<u>-</u>	<u>2,373,041</u>
State Sources	178,428	-	178,428
Federal Sources	-	116,888	116,888
Total Revenues	<u>\$ 2,551,469</u>	<u>\$ 116,888</u>	<u>\$ 2,668,357</u>
<b>EXPENDITURES</b>			
Current:			
Regular instruction	\$ 1,077,909	\$ 116,888	\$ 1,194,797
Support services- General Administrative	787,158	-	787,158
Support Services- School Admin/ operations plant se	538,210	-	538,210
On-behalf TPAF Social Security	60,622	-	60,622
Capital outlay	69,713	-	69,713
Total expenditures	<u>2,533,612</u>	<u>116,888</u>	<u>2,650,500</u>
Excess (Deficiency) of revenues over expenditures	<u>17,857</u>	<u>-</u>	<u>17,857</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	17,857	-	17,857
Fund balance - July 1, 2017	-	-	-
Fund balance - June 30, 2018	<u>\$ 17,857</u>	<u>-</u>	<u>\$ 17,857</u>

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

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2018**

**Total net change in fund balances - governmental funds (from B-2)** \$ 17,857

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense			
Capital outlays			\$ -

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.

**Change in net position of governmental activities** \$ 17,857

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

## **PROPRIETARY FUNDS**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Statement of Net Position  
Proprietary Funds  
As of June 30, 2018**

**NOT APPLICABLE**

**Exhibit B-5**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

**Exhibit B-6**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

## **FIDUCIARY FUNDS**

**Exhibit B-7**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Statement of Fiduciary Net Position  
Fiduciary Funds  
As of June 30, 2018**

**NOT APPLICABLE**

**Exhibit B-8**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**1. DESCRIPTION OF THE CHARTER SCHOOL AND REPORTING ENTITY**

College Achieve Greater Asbury Park Charter School Charter School (“Charter School”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board of Trustees (the 'Board') consists of appointed officials and are responsible for the fiscal control of the Charter School. A director is appointed by the Board and is the administrative control of the Charter School.

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Charter School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Charter School also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do no 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 consists of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Government-Wide Statements**

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

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

**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 Charter School 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 Charter School 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.

**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

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

**Fund Financial Statements**

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

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

**B. Fund Accounting**

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

**Governmental Funds**

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

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

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

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

**Proprietary Funds**

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

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

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

Depreciation of fixed assets used by proprietary funds is charged as an expense against their operations.

**Fiduciary Funds**

**Trust and Agency Funds** - The 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.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Agency Funds** - Agency Funds 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 involve measurement of results of operations. Agency Funds include payroll and student activities funds.

**C. Measurement Focus**

**Government-Wide Financial Statements**

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

**Fund Financial Statements**

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

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

Fiduciary funds are reported using the economic resources measurement focus.

**D. Basis of Accounting**

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental funds types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Charter School receives a portion of the local tax levy and state aid from school districts based upon the number of enrolled students. The State Department of Education in conjunction with the local Charter School revises the amounts to be received by the Charter School three times a year based upon the enrollment counts on June 1, October 15, and the last day of the school year. The local tax levy and state aid are susceptible to accrual. The Charter School records the entire anticipated local tax levy to be received at the start of the fiscal year based upon the June 1 enrollment count and certification from the New Jersey State Department of Education, since the revenue is both measurable and available. The Charter School is entitled to receive monies under the established payment schedule, which is revised after each enrollment count date, and the unpaid amount is considered to be an "accounts receivable".

At June 30, 2018, the Charter School will have an accounts receivable or accounts payable based upon the current year final enrollment count.

In its accounting and final reporting, the Charter School follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The Charter School's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

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

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the county office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of P.L. 2004 c73 (S 1701).

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

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal 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 fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

**F. Encumbrances**

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

Open encumbrances in the special revenue fund, for which the Charter School has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end. There were \$0 of encumbrances at June 30, 2018

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

**G. Cash, Cash Equivalents and Investments**

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

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

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act.

Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**H. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method.

**I. Short-Term Interfund Receivables/Payables**

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

**J. Capital Assets**

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

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

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

<u>Description of Capital Cost</u>	<u>Estimated Lives (Years)</u>
Building and Building improvements	N/A
Furniture and Equipment	N/A

There are no capital assets recorded.

**K. Compensated Absences**

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

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

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. The Charter School had a compensated absence liability of \$0 at June 30, 2018.

**L. Accrued Liabilities and Long-Term Obligations**

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

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

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**M. Net Position**

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

**N. Unearned/Deferred Revenue**

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

**O. Fund Equity**

Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**P. Use of Estimates**

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

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Charter School's deposits might not be recovered. Although the Charter School does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Charter School in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the Charter School relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. As of June 30, 2018, none of the Charter School's bank balances of \$52,084 were exposed to custodial risk.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

**Investments (continued)**

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

As of June 30, 2018, the Charter School had no investments.

**4. RELATED PARTY TRANSACTIONS**

**Operating Leases**

At June 1, 2017, the Charter School had an operating lease agreement with College Achieve Public Charter Schools, Inc. in effect for a school facilities in Asbury Park, New Jersey. Rental payments under this operating lease for the fiscal year ended June 30, 2018 was \$83,600.

**Management Agreement**

In June 2017, the Charter School entered into an educational management agreement with College Achieve Public Schools, Inc., (CAPS) to manage the operation of the school for the period July 1, 2017 to June 30, 2019 (Initial Term) 2 years. The agreement can be extended for 5 additional terms of two years. During its term the Charter School will pay a service fee equal to 14% of the Charter's School revenues during the contract term.

**Grant (CAPS)**

The school received an unrestricted grant in the amount of \$180,000 from College Achieve Public Schools, Inc., (CAPS) which is included as revenue in the General Fund.

**5 PENSION PLANS**

**Description of Plans** - Substantially all of the employees of the School are covered by either the Public Employee's Retirement System or the Teacher's Pension and Annuity Fund (both of which are contributory defined benefits plans). Both were established by state statute and are administered by the New Jersey Division of Pension and Benefit (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**5 PENISON PLANS (continued)**

the financial statements and required supplementary information for the Public Employees Retirements System and the Teacher's Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirements health care to substantially all full time certified teachers or professional staff of the public school systems in the State.

The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the School and the systems other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

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

**Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A 43:15a and 43:03B and N.J.S.A. 18A: for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. 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.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**5 PENISON PLANS (continued)**

The TPAF and PERS provides for specified medical benefits for member who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

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

**Pension Plan Design Changes** - Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for 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.

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

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

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**5 PENISON PLANS (continued)**

**Annual Pension Costs (APC)**

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

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

The School's contribution to PERS for the year ended June 30, 2017 was \$0.

In accordance with N.J.S.A 18A:66-66 the School recorded as revenue \$60,622 for 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 \$0 into the TPAF pension representing on-behalf employer's portion of the TPAF Pension System Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long Term Disability Insurance Premium Contributions for the School. These amounts have been included in the school wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**6 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.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**6 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

Therefore, the Charter School (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the Charter School (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the Charter School. However, the state's portion of the net pension liability that was associated with the Charter School was \$0 as measured on June 30, 2017 and \$0 as measured on June 30, 2016.

For the year ended June 30, 2018, the Charter School recognized pension expense of \$0 and revenue of \$0 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.

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

	<u>6/30/2017</u>	<u>6/30/2016</u>
Collective deferred outflows of resources	\$14,251,854,934	\$17,414,701,002
Collective deferred inflows of resources	\$11,807,238,433	\$134,532,594
Collective net pension liability (Nonemployer-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	\$0	\$0
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%	0%

***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. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**6 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

Inflation rate:	2.25%
Salary Increases: 2012-2021:	Varies based on experience
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.

***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 Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. 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 asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**6 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

***Discount Rate***

The discount rate used to measure the total pension liability was 4.25% 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 contributed 40% of the 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 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: <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf16.pdf>

***Pension Plan Fiduciary Net Position***

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

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

***Summary of Significant Accounting Policies***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**6 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

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***

For the year ended June 30, 2018, the Charter School recognized pension expense of \$0 and revenue of \$0 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.

For the year ended June 30, 2017, the Charter School recognized pension expense of \$0. At June 30, 2017, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience		
Changes of assumptions	\$-0-	\$-0-
Net difference between projected and actual earnings on pension plan investments	-0-	-0-
Changes in proportion and differences between Charter School contributions and proportionate share of contributions	-0-	-0-
Charter School contributions subsequent to the measurement date.	-0-	-0-
Total	\$-0-	\$-0-

A total of \$ -0- is 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 ended June 30, 2018, the plan measurement date was 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:

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**6 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

	<b>Year Ended June 30:</b>
2018	\$0
2019	\$0
2020	\$0
2021	\$0
2022	\$0
Thereafter	\$0
<b>Total:</b>	<b>\$ 0</b>

	<b>6/30/16</b>	<b>6/30/17</b>
Collective deferred outflows of resources	\$8,685,338,380	\$6,424,455,842
Collective deferred inflows of resources	\$870,133,595	\$5,700,625,891
Collective net pension liability (Non State- Local Group)	\$29,617,131,759	\$23,278,401,588
Charter schools proportion of net pension liability	\$0	\$0
Charter School proportion percentage	0%	0%

***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	2.25%
Salary Increases:	
Through 2026	1.65 - 4.15% based on age
Thereafter	2.65 - 5.15% based on age
Investment Rate of Return:	7.00%

Preretirement 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. Postretirement 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.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**6 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

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).

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. 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 asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**6 PENSION PLANS – GASB 68 DISCLOSURES (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 Collective Net Pension Liability to Changes in the Discount Rate***

The following presents the collective net pension liability of the participating employers as of June 30, 2017, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<b>At 1% decrease (4.00%)</b>	<b>At current discount rate (5.00%)</b>	<b>At 1% increase (6.00%)</b>
State	\$29,818,581,732	\$25,645,622,797	\$22,179,578,513
Local	28,878,437,027	23,278,401,588	18,612,878,069
Total	\$58,697,018,759	\$48,924,024,385	\$40,792,456,582

***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% 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:

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**6 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

		<b>2016</b>	
1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)	
Charter School's proportionate share of the net pension liability	\$0	\$0	\$0
1% Decrease (4%)	Current Discount Rate (5%)	1% Increase (6%)	
Charter School's proportionate share of the net pension liability	\$0	\$0	\$0

***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>

**7 POST RETIREMENT BENEFITS**

**State Health Benefit Program Fund - Local Education Retired (including Prescription Drug Program Fund)**

**General Information about the OPEB Plan**

**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.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**7 POST RETIREMENT BENEFITS (continued)**

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 nonemployer 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.

At June 30, 2016, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	142,331
Active Plan Members	223,747
Total	<u>366,078</u>

**Total Nonemployer OPEB Liability**

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.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**7 POST RETIREMENT BENEFITS (continued)**

Inflation Rate	2.50%		
	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases:			
Through 2026	1.55 - 4.55%	2.15-4.15%	2.10-8.98%
	based on years of service	based on age	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%	3.10 - 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. 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.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**7 POST RETIREMENT BENEFITS (continued)**

**Changes in the State's Total OPEB Liability**

	<b>Total OPEB Liability</b>
Balance at June 30, 2016	\$57,831,784,184
Changes for Year:	
Service Cost	2,391,878,884
Interest on the Total OPEB Liability	1,699,441,736
Changes of Assumptions	(7,086,599,129)
Gross Benefit Payments by the State	(1,242,412,566)
Contributions from Members	45,748,749
Net Changes	(4,191,942,326)
Balance at June 30, 2017	\$53,639,841,858

**Sensitivity of the Total Nonemployer OPEB Liability Attributable to the Charter School 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:

	<b>June 30, 2017</b>		
	<b>At 1% Decrease (2.58%)</b>	<b>At Discount Rate (3.58%)</b>	<b>At 1% Increase (4.58%)</b>
Total OPEB Liability Attributable to the Charter School	\$0	\$0	\$0
	<b>June 30, 2016</b>		
	<b>At 1% Decrease (1.58%)</b>	<b>At Discount Rate (2.85%)</b>	<b>At 1% Increase (3.85%)</b>
Total OPEB Liability Attributable to the Charter School	\$0	\$0	\$0

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**7 POST RETIREMENT BENEFITS (continued)**

**Sensitivity of the Total Nonemployer OPEB Liability Attributable to the Charter School 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:

	<b>June 30, 2017</b>		
	<b><u>1% Decrease</u></b>	<b><u>Healthcare Cost Trend Rate</u></b>	<b><u>1% Increase</u></b>
Total OPEB Liability Attributable to the Charter School	\$0	\$0	\$0
	<b>June 30, 2016</b>		
	<b><u>1% Decrease</u></b>	<b><u>Healthcare Cost Trend Rate</u></b>	<b><u>1% Increase</u></b>
Total OPEB Liability Attributable to the Charter School	\$0	\$0	\$0

**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 \$0 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:

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**7 POST RETIREMENT BENEFITS (continued)**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Assumption Changes		(\$6,343,769,032)
Contributions Made in Fiscal Year Ending 2018 After June 30, 2017 Measurement Date	\$1,190,373,242	
	\$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:

<b>Fiscal Year Ending June 30,</b>	<b>Total</b>
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	(2,629,618,547)
	\$ (6,343,769,032)

**8. COMPENSATED ABSENCES**

The Charter School accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

Charter School employees are granted varying amounts of vacation and sick leave in accordance with the Charter School's personnel policy. Upon termination or upon retirement, employees are currently not paid for accrued vacation or unused sick and personal days.

As of June 30, 2018, Charter School-wide compensated absences amounted to \$-0-.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**9. 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.

**10. 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.

**11. RISK MANAGEMENT**

The Charter School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; 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 not elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Charter School would be required to reimburse the New Jersey Unemployment Trust Fund For benefits paid to its former employees and charged to its account with the State. Under that method, the Charter School is billed quarterly for amounts due to the State.

**12. 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 intergovernmental receivables are as follows:

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**12. RECEIVABLES (continued)**

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Receivables:			
Accounts	<u>\$384,493</u>	<u>\$31,024</u>	<u>\$415,517</u>
Gross Receivables	<u>\$384,493</u>	<u>\$31,024</u>	<u>\$415,517</u>

**13 CAPITAL ASSETS**

The school has no Capital Assets recorded such as furniture, fixtures and equipment.

**14. SUBSEQUENT EVENTS**

The school has evaluated subsequent events occurring in the Independent Auditors Report of February 7, 2019, which is the date the financial statements were available to be issued. Based on this evaluation, the school has determined no subsequent events require disclosure in the financial statements.

**15. 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	\$17,857
Cost of capital assets net accumulated depreciation	-0-
Pension deferred outflows	-0-
Pension deferred inflows	-0-
Deferred pension liability as of June 30, 2018	-0-
Net position (per A-1) as of June 30, 2018	\$17,857

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**16. TERM LOAN – WORKING CAPITAL**

The following represents short-term debt activity for the Fiscal Year ended June 30, 2018:

	<u>Balance</u> <u>07/01/17</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30,</u> <u>2018</u>
Community Loan Fund of NJ, Inc.	\$ _____ -	\$487,921	\$487,921	\$ _____ -

Community Loan Fund of NJ, Inc., is a third party lender. The purpose of this short-term obligation was for cash flow for operations. The total amount of the loan was \$500,000, due June 30, 2018. Fixed interest rate of 7%, collateralized by a first priority security interest under the UCC in all of the school's assets, interest paid was \$30,615 for year ending June 30, 2018. No amounts were outstanding at June 30, 2018.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>REVENUES:</b>					
Local Sources:					
Local Share	\$ 741,179	\$ -	\$ 741,179	\$ 741,179	\$ -
State Share	1,378,658	181,136	1,559,794	1,295,164	264,630
Other Restricted In-Kind Contribution				54,850	(54,850)
Miscellaneous	-	-	0	281,848	(281,848)
<b>Total - Local Sources</b>	<b>2,119,837</b>	<b>181,136</b>	<b>2,300,973</b>	<b>2,373,041</b>	<b>(72,068)</b>
Nonpublic Aid	-	-	-	-	-
Special Education	49,453	-	49,453	49,453	-
Security Aid	67,714	-	67,714	67,714	-
Nonpublic Aid	-	-	-	639	(639)
TPAF LT DIS (On-Behalf - Non-Budgeted)					
TPAF Medical (On-Behalf - Non-Budgeted)					
TPAF Pension (On-Behalf - Non-Budgeted)	-		-	-	
TPAF Social Security (Reimbursed - Non-Budgeted)				60,622	(60,622)
<b>Total State Sources</b>	<b>117,167</b>	<b>-</b>	<b>117,167</b>	<b>178,428</b>	<b>(61,261)</b>
Federal Sources:					
Total - Federal Sources					
<b>Total Revenues</b>	<b>2,237,004</b>	<b>181,136</b>	<b>2,418,140</b>	<b>2,551,469</b>	<b>(133,329)</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Teachers Salary	615,000	64,305	679,305	679,305	\$ -
Other Salaries	106,400	20,840	127,240	127,240	-
Prof/Tech Services	135,000	(28,515)	106,485	106,485	-
Other Purchased Services (400-500 series)	105,760	(75,348)	30,412	30,412	-
General Supplies	53,500	1,517	55,017	55,017	-
Textbooks	82,500	(12,086)	70,414	70,414	-
Other Objects	-	9,036	9,036	9,036	-
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>1,098,160</b>	<b>(20,251)</b>	<b>1,077,909</b>	<b>1,077,909</b>	<b>-</b>

COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Support Services - General Administrative</b>					
Salaries of Administrative Salaries	105,000	247,436	352,436	352,436	-
Salaries of Secretarial and Clerical Assistants	60,000	(30,170)	29,830	29,830	-
Cost of Benefits	233,220	(63,518)	169,702	169,702	-
Consultants	23,000	(15,212)	7,788	7,788	-
Other Purchased Services (400-500 series)	208,000	(14,471)	193,529	193,529	-
Communications/Telephone	60,000	(30,170)	29,830	29,830	-
Supplies and Materials	21,500	(19,727)	1,773	1,773	-
Other Objects	5,000	(2,730)	2,270	2,270	-
	<u>715,720</u>	<u>71,438</u>	<u>787,158</u>	<u>787,158</u>	<u>-</u>
<b>Support Services - School Admin/Operation Plant Services</b>					
Salaries	-	-	-	-	-
Purchased Professional and Technical Services	165,000	66,219	231,219	231,219	-
Other Purchased Services	-	-	-	-	-
Rental of Land and Building- other than Lease Purchase Agreements	88,000	(4,400)	83,600	83,600	-
Insurance	50,080	(15,319)	34,761	34,761	-
General Supplies	20,000	(13,815)	6,185	6,185	-
Transportation- Trips	10,000	81,559	91,559	91,559	-
Energy (Energy and Electricity)	-	16,378	16,378	16,378	-
Other Objects	12,385	62,123	74,508	74,508	-
	<u>345,465</u>	<u>192,745</u>	<u>538,210</u>	<u>538,210</u>	<u>-</u>
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>					
<b>Food Service and After Care Program</b>					
Other Purchased Services	-	-	-	-	-
<b>Total Food Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
On-behalf LTD Contributions (non-budgeted)	-	-	-	-	-
On-behalf TPAF Medical Contributions (non-budgeted)	-	-	-	-	-
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	-	-
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	60,622	(60,622)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,622</u>	<u>(60,622)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>					
	1,061,185	264,183	1,325,368	1,385,990	(60,622)
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>2,159,345</u>	<u>243,932</u>	<u>2,403,277</u>	<u>2,463,899</u>	<u>(60,622)</u>

COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Non-Instructional Equipment	24,555	(2,772)	21,783	21,783	-
Instructional Equipment	22,489	(5,174)	17,315	17,315	-
Interest Expense- - Current Loans	30,615	-	30,615	30,615	-
<b>Total Equipment</b>	<u>77,659</u>	<u>(7,946)</u>	<u>69,713</u>	<u>69,713</u>	<u>-</u>
<b>TOTAL EXPENDITURES- GENERAL FUND</b>	2,237,004	235,986	2,472,990	2,533,612	(60,622)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	-	17,857	(72,707)
<b>Other Financing Sources:</b>					
<b>Operating Transfer In:</b>	-	-	-	-	-
<b>Total Other Financing Sources:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	-	-	-	17,857	(72,707)
<b>Fund Balance, July 1, 2017 (Initial Year)</b>	-	-	-	-	-
<b>Fund Balance, June 30, 2018</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,857</u>	<u>\$ (72,707)</u>

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2018**

Exhibit C-2  
Page 1

	<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources					
State Sources	-		-	-	
Federal Sources	116,888		116,888	116,888	
<b>Total Revenues</b>	<u>116,888</u>		<u>116,888</u>	<u>116,888</u>	
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	40,000		40,000	40,000	
Other Salaries for Instruction	-		-	-	
Purchased Professional -Educational Services	-		-	-	
Purchased Professional and Technical Services	-		-	-	
Food Service Subsidy	-		-	-	
Other Purchased Services (400-500 series)	31,024		31,024	31,024	
Textbooks	-		-	-	
General Supplies	34,664		34,664	34,664	
Personal Services- Employee Benefits	11,200		11,200	11,200	
Instructional services	-		-	-	
Equipment- instructional	-		-	-	
Equipment- Non-instructional	-		-	-	
<b>Total Instruction</b>	<u>116,888</u>	<u>-</u>	<u>116,888</u>	<u>116,888</u>	
<b>Support Services</b>					
Salaries of Supervisor of Instruction	-		-	-	
Salaries of Program Directors	-		-	-	
Salaries of Other Professional Staff	-		-	-	
Salaries of Secretaries & Clerical Assistants	-		-	-	
Other Salaries	-		-	-	
Personal Services - Employee Benefits	-		-	-	
Purchased Professional - Educational Services	-		-	-	
Other Purchased Professional Services	-		-	-	
Supplies	-		-	-	
Field Trips	-		-	-	
Scholarships	-		-	-	
Tuition	-		-	-	
Travel	-		-	-	
Other purchased Services (400-500 series)	-		-	-	
Building Improvements	-		-	-	
<b>Total Support Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal 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>
Buildings Improvements					
Instructional Equipment					
Noninstructional Equipment					
<b>Total Facilities Acquisition and Construction Services</b>					
<b>Transfer to Charter School</b>					
Total Expenditures	116,888		116,888	116,888	
<b>Other Financing Sources (Uses)</b>					
<b>Transfer in from General Fund</b>					
<b>Transfer Out to Whole School Reform (General Fund)</b>					
<b>Total Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>					
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>					

**NOTES TO REQUIRED SUPPLEMENTARY  
INFORMATION**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to RSI**  
**For the Fiscal Year Ended June 30, 2018**

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

The general fund budget and the special revenue budget basis are GAAP, therefore no reconciliation is required

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
SCHEDULE OF CHARTER SCHOOL CONTRIBUTIONS - PERS  
FOR THE FISCAL YEAR ENDED JUNE 30\*  
(UNAUDITED)**

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

	<u><b>2017</b></u>
Charter School Proportion of the net pension liability (asset)	N/A
Charter School Proportionate share of the net pension liability (asset)	N/A
Charter School Covered employee payroll	N/A
Charter School Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A

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

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
SCHEDULE OF CHARTER SCHOOL CONTRIBUTIONS - PERS  
FOR THE FISCAL YEAR ENDED JUNE 30\*  
(UNAUDITED)**

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

**2017**

Contractually required contribution	N/A
Contributions in relation to the contractually required contribution	N/A
Contribution deficiency (excess)	N/A
Charter School Covered employee payroll	N/A
Contributions as a percentage of covered employee payroll	N/A

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

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
SCHEDULE OF THE CHARTER SCHOOL PROPORTIONATE SHARE  
OF NET PENSION LIABILITY - TPAF  
FOR THE FISCAL YEAR ENDED JUNE 30  
(UNAUDITED)**

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

	<u><b>2017</b></u>
Charter School Proportion of the net pension liability (asset)**	N/A
Charter School Proportionate share of the net pension liability (asset)**	N/A
State's proportionate share of the net pension liability (asset) associated with the Charter School	N/A
Total	N/A
Charter School Covered employee payroll	N/A
Charter School Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A

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

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
PENSION SCHEDULES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

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

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

*Changes of assumptions.* Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

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

*Changes of benefit terms.* The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

*Changes of assumptions.* Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF  
TOTAL OPEB LIABILITY  
(UNAUDITED)  
Postemployment Health Benefit Plan**

**Last One Fiscal Year\*  
(Unaudited)**

**2017**

**Total OPEB Liability**

Service Cost	\$0
Interest on Total OPEB Liability	0
Changes of Assumptions	0
Gross Benefit Payments	0
Contribution from the Member	0
<b>Net Change in Total OPEB Liability</b>	<u>0</u>
<b>Total OPEB Liability - Beginning</b>	<u>0</u>
<b>Total OPEB Liability - Ending</b>	<u><u>\$0</u></u>
Charter School Proportionate Share of OPEB Liability	\$0
State's Proportionate Share of OPEB Liability	0
<b>Total OPEB Liability - Ending</b>	<u><u>\$0</u></u>
Charter School Covered-Employee Payroll	\$0
Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

\*The amounts presented for each fiscal year were determine as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the Charter School will only present information

## **SPECIAL REVENUE FUND**

Special Revenue Funds are used to account for the proceeds of special revenue resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures- Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2018**

	<b>TOTAL</b>	<b>Title I</b>	<b>Title II</b>	<b>IDEA PART B</b>
<b>REVENUES</b>				
Intergovernmental				
State				
Federal	\$116,888	\$76,904	\$8,960	\$31,024
Other Sources				
Miscellaneous				
Total Revenues	<u>116,888</u>	<u>76,904</u>	<u>8,960</u>	<u>31,024</u>
<b>EXPENDITURES</b>				
Instruction				
Salaries	40,000	40,000		
Salaries -Other Instruction	0			
Other Purchased Services	31,024	0		31,024
Purchased Prof. and Tech.and Edu Services	0			
General Supplies	34,664	25,704	8,960	
Recruitment	0			
Personal Services - Employee Benefits	11,200	11,200		
Textbooks	0			
Instructional Services	0			
Equipment - Instructional	0			
Total Instruction	<u>116,888</u>	<u>76,904</u>	<u>8,960</u>	<u>31,024</u>
Support Services				
Salaries of Supervisors of Instruction	0			
Salaries of Program Directors				
Salaries of Other Prof. Staff				
Salaries of Secretarial and Clerical Ass't				
Personal Services - Employee Benefits				
Supplies and Materials	0			
Other Purchased Services				
Purchased Professional/Educational Services	0			
Class- room Improvements				
Building Improvements				
Non instructional Equipment				
Total Support Services	<u>0</u>	<u>0</u>	<u>0</u>	
<b>TOTAL EXPENDITURES</b>	<u><u>\$116,888</u></u>	<u><u>\$76,904</u></u>	<u><u>\$8,960</u></u>	<u><u>\$31,024</u></u>

## **PROPRIETARY FUNDS**

## **ENTERPRISE FUND**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the cost of providing goods and services be financed through user charges or where the board has decided that periodical determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Food Service Fund** - The fund provides for the operation of food services in all schools.

**Exhibit G-1**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Proprietary Fund  
Statement of Net Position  
As of June 30, 2018**

**NOT APPLICABLE**

**Exhibit G-2**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Fund  
For The Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Statements of Cash Flows**  
**Proprietary Fund**  
**For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

## **FIDUCIARY FUNDS**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Fiduciary Funds**  
**Combining Statement of Agency Fund Net Position**  
**As of June 30, 2018**

	<b><u>Fund</u></b>	<b><u>Agency</u></b>	<b><u>Total</u></b>
	<b><u>Payroll</u></b>	<b><u>Fund</u></b>	
		<b><u>Payroll</u></b>	
<b>ASSETS</b>			
Cash and cash equivalents	\$0	\$2,409	\$2,409
Total Assets	<u>\$0</u>	<u>\$2,409</u>	<u>\$2,409</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Payroll deductions and withholdings	0	2,409	2,409
Total Liabilities	<u>0</u>	<u>2,409</u>	<u>2,409</u>
Net Position			
Total Liabilities and Net Position	<u>\$0</u>	<u>\$2,409</u>	<u>\$2,409</u>

**Exhibit H-2**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Nonexpendable Trust Fund  
Combining Statement of Agency Fund Net Position  
Fiduciary Funds  
As of June 30, 2018**

**NOT APPLICABLE**

**Exhibit H-3**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**



Exhibit H-5

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Unemployment Compensation Insurance Trust Fund**  
**Statement of Receipts and Disbursements**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

## STATISTICAL SECTION

This part of the College Achieve Greater Asbury Park Charter School comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the school's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

J- 1 to J-5

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

#### **Revenue Capacity**

J-6 to J-9

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

#### **Debt Capacity**

J-10 to J-13

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

#### **Demographic and Economic Information**

J-14 and J-15

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

#### **Operating Information**

J-16 to J-20

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

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

## **FINANCIAL TRENDS**

**Exhibit J-1**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
NET POSITION BY COMPONENT  
FOR THE FISCAL YEAR ENDED JUNE 30  
ACCRUAL BASIS OF ACCOUNTING  
(UNAUDITED)**

	<b>2018</b>
Governmental activities	
Invested in capital assets	\$ -
Restricted	-
Unrestricted Fund Balance	17,857
Total governmental activities net position	\$ 17,857
Business-type activities	
Invested in capital assets, net of related debt	-
Unrestricted	#REF!
Total business-type activities net position	
School-wide	
Invested in capital assets, net	-
Unrestricted Fund Balance	17,857
Total school net position	\$ 17,857

**Source: School Financial Statements**

**Exhibit J-2**  
**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**CHANGES IN NET POSITION (DEFICIT)**  
**FOR THE FISCAL YEAR ENDED JUNE 30**  
**ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

	<u><b>2018</b></u>
<b>Expenses</b>	
Governmental activities	
Instruction	
Regular	\$1,194,797
Support Services:	
General administration	787,158
School Administrative Services	538,210
On-behalf TPAF Social Security	60,622
Capital outlay	69,713
Unallocated depreciation	0
Total governmental activities expenses	<u>2,650,500</u>
Business-type activities:	
Food service	<u>0</u>
Total business-type activities expense	<u>0</u>
Total school expenses	<u><u>\$2,650,500</u></u>
<b>Program Revenues</b>	
Governmental activities:	
Operating grants and contributions	\$116,888
Total governmental activities program revenues	<u>116,888</u>
Business-type activities:	
Charges for services	
Food service	<u>0</u>
Total business type activities program revenues	<u>0</u>
Total school program revenues	<u><u>\$116,888</u></u>
<b>Net (Expense)/Revenue</b>	
Governmental activities	(\$2,533,612)
Business-type activities	\$0
Total school-wide net expense	<u><u>(\$2,533,612)</u></u>
Governmental activities:	
Local share	
State Share	741,179
State and Federal Aid aid	1,473,592
Miscellaneous income	336,698
Increase (Decrease) in Net Capital Outlay	0
Total governmental activities	<u>\$2,551,469</u>
Business-type activities:	
Total business-type activities	<u>0</u>
Total school-wide	<u><u>\$2,551,469</u></u>
<b>Change in Net Position</b>	
Governmental activities	\$17,857
Business-type activities	\$0
Total school	<u><u>\$17,857</u></u>

**Source: School Financial Statements**

Exhibit J-3

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30  
MODIFIED ACCRUAL BASIS OF ACCOUNTING  
(UNAUDITED)**

**2018**

General Fund	
Unreserved Fund Balance	17,857
Total general fund	<u>\$ 17,857</u>
All Other Governmental Funds	
Unreserved, reported in:	
Total all other governmental funds	<u>                    </u>

**Source: School Financial Statements**

**Exhibit J-4**  
**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**GOVERNMENTAL REVENUES AND EXPENDITURES**  
**FOR THE FISCAL YEAR ENDED JUNE 30**  
**(UNAUDITED)**

	<u><b>2018</b></u>
<b>Revenues</b>	
Local tax Levy	\$741,179
Other local revenue	336,698
State sources	1,473,592
Federal sources	116,888
Total Revenue	<u>2,668,357</u>
<b>Expenditures</b>	
Instruction	
Regular Instruction	1,194,797
Support Services:	
General administration	787,158
School administrative services/Plant	538,210
TPAF Social Security	60,622
Capital outlay	69,713
Total Expenditures	<u>2,650,500</u>
Excess (Deficiency) of revenues over (under) expenditures	
<b>Other Financing sources (uses)</b>	
Transfers in	
Transfers out	
Total other financing sources (uses)	<u>0</u>
Net Change in fund balance	<u>\$ 17,857</u>
<b>Source: School Financial Statements</b>	
Total other financing sources (uses)	<u>0</u>
Net change in fund balance	<u>\$ 17,857</u>
<b>Source: School Financial Statements</b>	

## **REVENUE CAPACITY**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**General Fund - Other Local Revenue By Source**  
**For the Fiscal Year Ended June 30**  
**(UNAUDITED)**

	<u>Sale of Capital Assets</u>	<u>Donations</u>	<u>Rentals</u>	<u>Prior Year Refunds</u>	<u>Sale and Leaseback of Textbooks</u>	<u>Other Local</u>	<u>Totals</u>
2018		\$336,698					\$336,698

Source: School Financial Statements

**Exhibit J-6**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Assessed Value and Actual Value of Taxable Property  
For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

**Exhibit J-7**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Direct and Overlapping Property Tax Rates  
For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

**Exhibit J-8**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Principal Property Taxpayers  
For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

## **DEBT CAPACITY**

**Exhibit J-9**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Property Tax Levies and Collections  
For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

**Exhibit J-10**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Ratios of Outstanding Debt by Type  
For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

**Exhibit J-11**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Ratios of Net General Bonded Debt Outstanding  
For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

**Exhibit J-12**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Direct and Overlapping Governmental Activities Debt  
For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

**Exhibit J-13**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Legal Debt Margin Information  
For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

**Exhibit J-14**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Demographic and Economic Statistics  
For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

**OPERATING INFORMATION  
(UNAUDITED)**

**Exhibit J-15**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Principal Employers  
For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

Exhibit J-16

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Full-time Equivalent School Employees by Function/Program**  
**For the Fiscal Year Ended June 30**  
**(UNAUDITED)**

<u>Function/Program</u>	<u>2018</u>
Instruction	
Regular	20
Special education	2
Other special education	3
Vocational	-
Other instruction	1
Nonpublic school programs	-
Adult/continuing education programs	-
Support Services:	
Student & instruction related services	-
General administration	1
School administrative services	3
Other administrative services	-
Central services	-
Administrative Information Technology	-
Plant operations and maintenance	2
Pupil transportation	1
Other support services	-
Special Schools	-
Food Service	2
Child Care	-
Total	<u>35</u>

**Source:** School Personnel Records

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Operating Statistics**  
**For the Fiscal Year Ended June 30**  
**(UNAUDITED)**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>(Initial Year)</u>	
						<u>Teacher Ratio</u>			<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2018	75	2,650,500	34,609	N/A	20	375.1	75	72.0	N/A	96%

Sources: School records

Exhibit J-18

COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
School Building Information  
For the Fiscal Year Ended June 30  
(UNAUDITED)

	<u>2018</u>
<b><u>School Building</u></b>	
Main Campus	
Square Feet	
508 3rd Ave.	20,655
700 Grand Ave.	14,000
Capacity (students)	
Enrollment	75
Number of Schools at June 30	
Elementary	1

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
General Fund - Schedule of Required Maintenance  
For the Fiscal Year Ended June 30, 2018**

**NOT APPLICABLE**

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2018**  
**(UNAUDITED)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Commercial Property		
Each Occurrence	\$ 1,000,000	\$ 5,000
Damages/Rented Premises	500,000	0
Medical	20,000	0
Personal & Adv Injury	1,000,000	5,000
General Aggregate	3,000,000	5,000
Products -Comp/OP/AGG	3,000,000	5,000
Automobile	-	-
Umbrella	1,000,000	-
Workers' Compensation		
Each Accident	1,000,000	-
Disease - Each Employee	1,000,000	
Disease - Policy Limiy	1,000,000	
Property	-	-

**CHARTER SCHOOL PERFORMANCE  
FRAMEWORK FINANCIAL INDICATORS**

Exhibit J-21

COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
FINANCIAL PERFORMANCE - FINANCIAL RATIOS  
FOR THE FISCAL YEAR ENDED JUNE 30  
(UNAUDITED)

Charter School Performance Framework Financial Indicators  
Near Term Indicators

	<u>2018</u>
Cash and Cash Equivalents	11,104
Current Assets	426,621
Capital Assets-Net	0
Total Assets	<u>426,621</u>
Current Liabilities	408,764
Long Term Liabilities	0
Total Liabilities	<u>408,764</u>
Net Position	<u>17,857</u>
Total Revenue	2,668,357
Total Expenses	<u>2,650,500</u>
Change in Net Position	<u>17,857</u>
Depreciation	0
Principal Payments	0
Interest payments	0
Final average daily enrollment	75
March 30th budgeted Enrollment	75
Near term indicators	<u>2018</u>
CURRENT RATIO	
Unrestricted days cash	1.5
Enrollment variance	0%
Default	N/A

Exhibit J-22

COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
 FINANCIAL PERFORMANCE - FINANCIAL RATIOS  
 FOR THE FISCAL YEAR ENDED JUNE 30  
 (UNAUDITED)

Charter School Performance Framework Financial Indicators  
 Sustainability Indicators

	<u>2018</u>
Cash and Cash Equivalents	11,104
Current Assets	426,621
Capital Assets-Net	0
Total Assets	<u>426,621</u>
Current Liabilities	408,764
Long Term Liabilities	0
Total Liabilities	<u>408,764</u>
Net Position	<u>17,857</u>
Total Revenue	2,668,357
Total Expenses	<u>2,650,500</u>
Change in Net Position	<u>17,857</u>
Depreciation	0
Principal Payments	0
Interest payments	0
Final average daily enrollment	75
March 30th budgeted Enrollment	75
Sustainability Indicators	<u>2018</u>
Total Margin	.7%
Debt to Asset	N/A
Cash Flow	11,104
Debt Service Coverage Ratio	N/A

**SINGLE AUDIT SECTION K**

**GERALD D. LONGO**  
CERTIFIED PUBLIC ACCOUNTANT  
62 OLD QUEENS BLVD.  
MANALAPAN, NEW JERSEY 07726-3648

TELEPHONE  
732 446-4768

FAX  
732 792-0868

**EXHIBIT K-1**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Chairman and  
Members of the Board of Trustees  
College Achieve Greater Asbury Park Charter School  
County of Monmouth  
Asbury Park, New Jersey

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the College Achieve Greater Asbury Park Charter School ("the Charter School"), in the County of Monmouth, State of New Jersey, 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 my report thereon, dated February 7, 2019.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*.

### **Purpose of this Report**

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

Licensed Public School Accountant No. 20CS00206400



Gerald D. Longo  
Certified Public Accountant  
February 7, 2019

**GERALD D. LONGO**  
CERTIFIED PUBLIC ACCOUNTANT  
62 OLD QUEENS BLVD.  
MANALAPAN, NEW JERSEY 07726-3648

TELEPHONE  
732 446-4768

FAX  
732 792-0868

**EXHIBIT K-2**

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

The Honorable Chairman and  
Members of the Board of Trustees  
College Achieve Greater Asbury Park Charter School  
County of Monmouth  
Asbury Park, New Jersey

**Compliance**

I have audited the College Achieve Greater Asbury Park Charter School, in the County of Monmouth, State of New Jersey's ("the Charter School") with the types of compliance requirements described in the State of New Jersey Department of Treasury Circular 15-08-OMB Compliance Supplement that could have a direct and material effect on each of the Charter School's major state programs for the fiscal year ended June 30, 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 federal and state programs.

**Auditors' Responsibility**

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

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

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

### **Opinion on Each State Program**

In my opinion, the Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 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 my audit of compliance, I considered the Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Charter School's internal control over compliance.

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

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

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

Licensed Public School Accountant No. 20CS00206400

A handwritten signature in black ink, appearing to read "Gerald D. Longo". The signature is written in a cursive style with a large initial "G".

Gerald D. Longo  
Certified Public Accountant  
February 7, 2019

COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2018

<u>Federal/Grantor Program Title</u>	<u>FEDERAL CFDA Number</u>	<u>Federal Award Identification Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>(Initial Year) Balance July 1, 2017</u>	<u>Prior Carry over</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Refund of Prior Years' Balances</u>	<u>Adjustment</u>	<u>Deferred Revenue/ (Accounts Receivable) June 30, 2018</u>	<u>Due to Grantor at June 30, 2018</u>
<b>Enterprise Fund:</b>												
U.S. Department of Agriculture												
Pass-Through Programs:												
Passed-Through New Jersey												
State Department of Agriculture		N/A										
<b>Special Revenue Fund:</b>												
U.S. Department of Education												
Pass-Through Programs:												
Passed-Through New Jersey												
State Department of Education												
Title I PART A	84.010	S010A170030	07/01/17-06/30/18	76,904	\$0		\$76,904	\$76,904			\$0	
Title II PART A	84.367	S367A170029	07/01/17-06/30/18	8,960	\$0		8,960	8,960			\$0	
IDEA PART B (BASIC)	84.027	H027A170100	07/01/17-06/30/18	31,024	\$0		31,024	31,024			\$0	
Total Special Revenue/Total US Dept. of Education Pass Through Programs								\$116,888	\$116,888		\$0	
Total Federal Awards								\$116,888	\$116,888		\$0	

See accompanying notes to schedules of expenditures of Federal and State awards.

COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
Schedule of Expenditures of State Awards  
For the Fiscal Year Ended June 30, 2018

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>(Initial Year) Balance July 1, 2017</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Prior Years' Balances</u>	<u>Adjust.</u>	<u>Receivable at June 30, 2018</u>
<b>NJ State Dept. of Education</b>									
<b>GENERAL FUND</b>									
TPAF Social Security	18-495-034-5094-003	7/1/17-06/30/18	60,622		\$60,622	\$60,622			
Equalization Aid - Local	18-495-034-5120-078	7/1/17-06/30/18	741,179		741,179	741,179			
Equalization Aid - State	18-495-034-5120-078	7/1/17-06/30/18	1,295,164		1,295,164	1,295,164			
Non Public Aid	18-100-034-5120-509	7/1/17-06/30/18	639		639	639			
Special Education	18-495-034-5120-089	7/1/17-06/30/18	49,453		49,453	49,453			
Security Aid	18-495-034-5120-084	7/1/17-06/30/18	67,714		67,714	67,714			
Total General Fund/Total State Dept. of Education					<u>--</u>	<u>2,214,771</u>	<u>2,214,771</u>		
<b>NJ STATE DEPT OF AGRICULTURE - DIRECT PROGRAMS</b>									
<b>ENTERPRISE FUND</b>									
N/A									
Total Expenditures of State Financial Assistance									
Subject to Single Audit					<u>0</u>	<u>\$2,214,771</u>	<u>\$2,214,771</u>		

See accompanying notes to schedules of expenditures of Federal and State Awards.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AND STATE ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 1. GENERAL**

The accompanying schedules present the activity of all federal and state assistance programs of the College Achieve Greater Asbury Park Charter School. The Board of Trustees is defined in the Notes to the school's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal assistance and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

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

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis. The special revenue fund is presented in the accompanying schedules on the grant account budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to GAAP basis is \$-0-. See Note 1 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Awards and financial assistance revenues are reported in the school's basic financial statements on a GAAP basis as follows:

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AND STATE ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ -0-	\$2,214,771	\$2,214,771
Special Revenue Fund	116,888	-0-	116,888
Total Awards and Financial Assistance	\$116,888	\$2,214,771	\$2,331,659

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER INFORMATION**

The amount reported as TPAF Contributions represents the amount paid by the state on behalf of the Charter School for the year ended June 30, 2018. TPAF Social Security Contributions of \$60,622 represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2018.

**NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

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

**NOTE 7. DE MINIMIS INDIRECT COST RATE**

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

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
 COUNTY OF MONMOUTH, NEW JERSEY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**PART 1 – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statement Section**

Type of auditor’s report issued:	Unmodified	
	<u><b>YES</b></u>	<u><b>NO</b></u>
Internal control over financial reporting:		
Material weakness(es) identified:		<b>X</b>
Significant deficiencies identified not considered to be material weakness(es)?	<b>X</b>	None Reported
Noncompliance material to financial statements noted?		<b>X</b>

**Federal Awards**

N/A

Internal control over compliance:

    Material weakness(es) identified?

    Significant deficiencies identified not considered to be material weakness(es)?

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

Any audit findings disclosed that are required to be Reported in accordance with 2CFR 200.156(A)?

Identification of major programs:

<u><b>C DFA Number(s)</b></u>	<u><b>Name of Federal Program or Cluster</b></u>
-------------------------------	--

Dollar threshold used to distinguish between type A and type B programs (.520)

Auditee qualified as low risk auditee:

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
 COUNTY OF MONMOUTH, NEW JERSEY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

<b>State Awards</b>	<b><u>YES</u></b>	<b><u>NO</u></b>
Dollar threshold used to distinguish between type A and type B programs (.520)	\$750,000	
Auditee qualified as low risk auditee:	<b>X</b>	
Type of auditor’s report issued:	Unmodified	
Internal control over major programs:		
Material weakness(es) identified:		<b>X</b>
Significant deficiencies identified not considered to be material weakness(es)?		<b>X</b> None Reported
Type of auditor’s report on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be Reported in accordance with NJOMB Circular Letter 15-08?		<b>X</b>
Identification of major programs:		
<u><b>C DFA Number(s)</b></u>		<u><b>Name of State Program or Cluster</b></u>
18-495-034-5120-078		Equalization Aid
18-495-034-5120-089		Special Education Aid
18-495-034-5120-084		Security Aid

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
COUNTY OF MONMOUTH, NEW JERSEY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**PART II – SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

No financial statement findings noted that are required to be reported under Government Auditing Standards.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
COUNTY OF MONMOUTH, NEW JERSEY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**PART III – SCHEDULE OF FEDERAL AND STATE AWARD FINDINGS AND  
QUESTIONED COSTS**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by The Uniform Guidance and New Jersey OMB's Circular 15-08.

No federal and state award findings and questioned costs noted that are required to be reported in accordance of The Uniform Guidance or with NJOMB Circular 15-08.

**COLLEGE ACHIEVE GREATER ASBURY PARK CHARTER SCHOOL  
SUMMARY OF SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Status of Prior Year Findings**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance (section .315(a)(b)) and New Jersey OMB's Circular 15-08.

In accordance with government auditing standards, my procedures included a review of all prior year recommendations. There were no prior year findings as this was the initial year.