

***BARACK OBAMA GREEN CHARTER
HIGH SCHOOL***

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2019

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

***Barack Obama Green Charter High School
Board of Trustees
Plainfield, New Jersey***

***Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019***

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
BARACK OBAMA GREEN CHARTER HIGH SCHOOL
PLAINFIELD, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Prepared By

***Barack Obama Green Charter High School
Finance Department***

And

Barre & Company, CPA's

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*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

**Not Applicable to Charter Schools

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INTRODUCTORY SECTION

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
35 WATCHUNG AVENUE
PLAINFIELD, NEW JERSEY 07060
908-251-6467

December 20, 2019

Honorable President and
Members of the Board of Trustees
Barack Obama Green Charter High School
Plainfield, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Barack Obama Green Charter High School (the "Charter School") for the fiscal year ended June 30, 2019, 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 Board of Trustees (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the various funds of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

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

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

Charter School Organization

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

The Chief School Administrator/Principal of the Charter School is responsible to the Board for total educational and support operations. The Curriculum Coordinator, Lead Teacher and Director of Operations are responsible to the Chief School Administrator/Principal for the instructional program of the school. The Business Administrator is the Chief Financial Officer of the Charter School, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the Charter School, acting as custodian of all Charter School funds, and investing idle funds as permitted by New Jersey law.

1. REPORTING ENTITY AND ITS SERVICES:

Barack Obama Green Charter High School is an independent reporting entity within the criteria adopted by the Government Auditing Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the school are included in this report. The Board of Trustees of Barack Obama Green Charter High School, constitutes the Charter School’s reporting entity.

The Charter High School was established as a high achieving Science-based high school in Plainfield, New Jersey. During the 2018-2019 school year, Barack Obama Green Charter High School provided a full range of educational services to students in grades 9-12. The Charter School was authorized to enroll up to 240 students for grades 9-12. The Charter School completed the 2018-2019 school year with an enrollment of 230 students. The following details the changes in the student enrollment of the Charter School over the last five years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2018-2019	230.00	-2.17%
2017-2018	235.00	0.72%
2016-2017	233.30	0.90%
2015-2016	231.20	1.60%
2014-2015	227.50	10.73%

As a college-preparatory school, Barack Obama Green Charter High School's mission is founded on the understanding that students have ownership and responsibility for their own educational processes and for their future. Accordingly, our curriculum is established using effective, research-based educational practices; hand-on Problem Based Service Learning adventures and grade appropriate core academic materials with a particular focus on the New Jersey Core Curriculum Content Standards. Our educational program is designed to meet the diverse needs of individual students, including “at risk” students, English Language Learners (ELL) and students with special needs.

2. ECONOMIC CONDITION AND OUTLOOK:

The City of Plainfield is located in the center of New Jersey's industrial corridor, which extends from New York City to Philadelphia, and has experienced some of the same development, which has affected large parts of northeastern and central New Jersey in terms of industrial relocation. Both manufacturing and non-manufacturing firms have tended, in recent years, to move from the city's large industrial park located near the interstate highways.

Additionally, over the last three decades, downtown commercial activity has generally diminished because of the trend toward suburban regional malls. This trend, combined with demographic shifts, has caused a reduction in Plainfield's retail sales, which is likely to continue in the foreseeable future.

3. MAJOR INITIATIVES:

The Barack Obama Green Charter High School continued to focus its resources on the implementation of the New Jersey Student Learning Standards. The Charter School completed its fifth year of operation enabling each student to apply content area knowledge and prior learning experiences in new ways to resolve issues that negatively impact the local community. The Charter High School has used and will continue to use "Curriculum Mapping" to develop and monitor the school's curriculum, utilizing our web-based system to align assessment, curriculum and instruction, to ensure all standards within each grade level are being covered.

The Charter High School responded to its "at risk" students, vis-à-vis the Federal grants available, i.e., NCLB and IDEA, and will continue this process in the ensuing school year by identifying these students through assessment, teaching observations, and parent involvement.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2019.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. CASH MANAGEMENT: The investment policy of the Charter School is guided in large part by state statute as detailed in "Notes to the Basic Financial Statement" Note 3. The Charter School had adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Barre & Company, Certified Public Accountants, was selected by the Board of Trustees. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet 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 New Jersey's Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. The auditors' report on the basic financial statements and specific required supplemental 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.

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

Respectfully submitted,

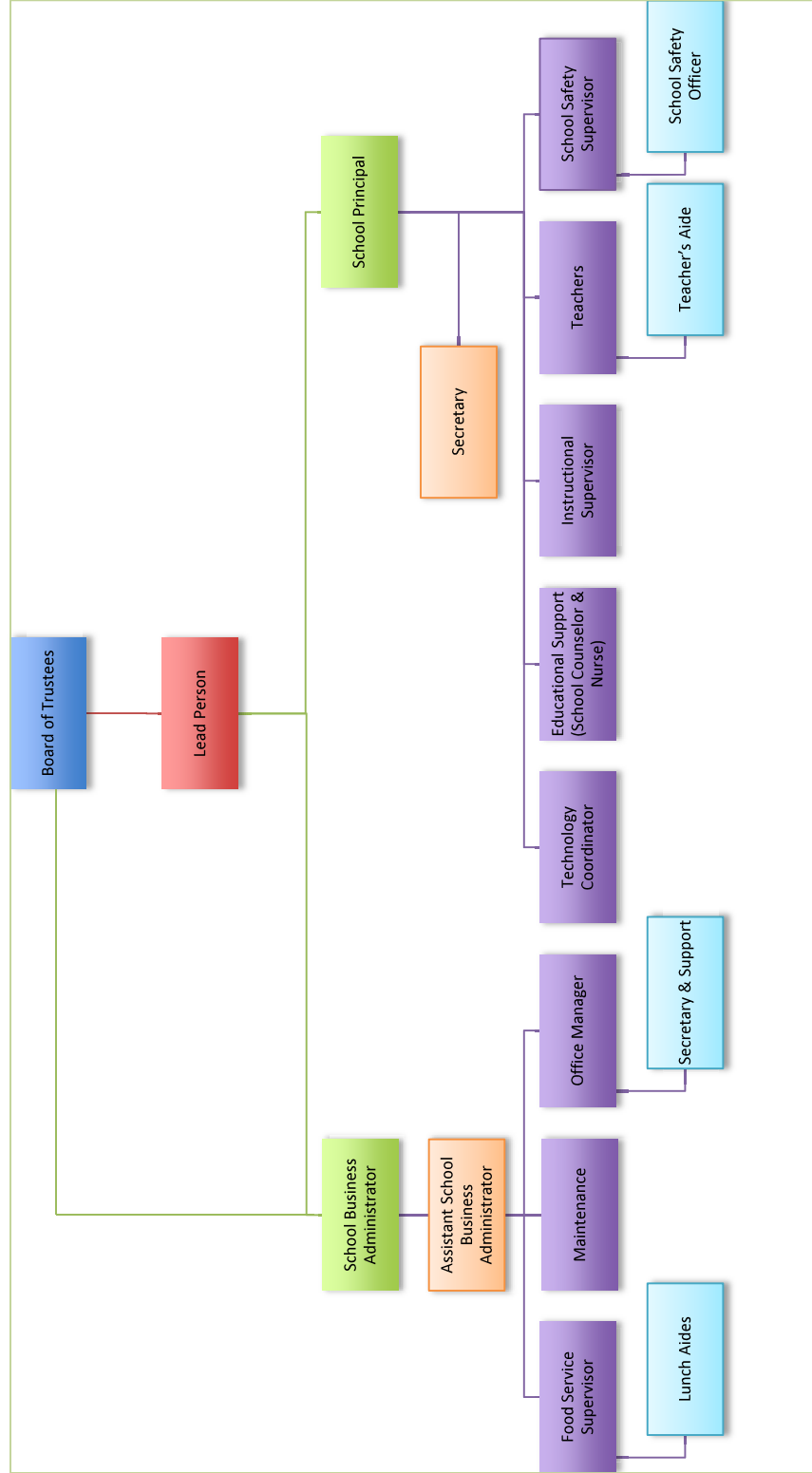


Erin Murphy Richardson
Head of School/Principal



Joan Orimaco
School Business Administrator

BOGCHS Organizational Structure



**BARACK OBAMA GREEN CHARTER HIGH SCHOOL
PLAINFIELD, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2019**

MEMBERS OF THE BOARD OF TRUSTEES

Gregory Hambric	-	President from January 2019 to present
Tamika Pollins	-	President until December 2018
Thais Jimenez	-	Member
Nicholl Rogers	-	Member
Tiffany Thompson	-	Member

OTHER OFFICIALS

Erin Murphy Richardson	Head of School/Principal – 2019-2020
Joan Orimaco	School Business Administrator – 2019-2020

**BARACK OBAMA GREEN CHARTER HIGH SCHOOL
PLAINFIELD, NEW JERSEY**

CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

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

Official Depository

Wells Fargo Bank
274 Somerset Street
North Plainfield, New Jersey 07060

Unity Bank
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Clinton, New Jersey 08809

FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
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Independent Auditor's Report

The Honorable President and
Members of the Board of Trustees
Barack Obama Green Charter High School
County of Union
Plainfield, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Barack Obama Green Charter High School (Charter School), in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Barack Obama Green Charter High School, in the County of Union, State of New Jersey, as of June 30, 2019, and the respective changes in the financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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


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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019 on our consideration of the Barack Obama Green Charter High School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control over financial reporting and compliance.


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountant


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

Union, New Jersey
December 20, 2019

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**BARACK OBAMA GREEN CHARTER HIGH SCHOOL
PLAINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

As management of the Barack Obama Green Charter High School ("Charter School"), we offer readers of the Charter School's financial statements this narrative discussion, overview, and analysis of the financial activities of the Charter School for the year ended June 30, 2019. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

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

Financial Highlights

Key financial highlights for 2019 are as follows:

- ❖ Total net position of the governmental activities and business-type activities is \$1,009,551 at June 30, 2019. It is comprised of both current and capital assets and deferred outflows of resources less deferred inflows of resources and current and outstanding long-term liabilities.
- ❖ General revenues accounted for \$4,421,154 of total revenues or 97% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$130,256 or 3% percent of total revenues of \$4,551,410.
- ❖ The Charter School had \$4,328,130 in expenses; only \$130,256 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$4,421,154 were adequate to provide for these programs.
- ❖ Among major funds, the General Fund had \$3,995,737 in revenues and \$3,559,201 in expenditures. The General Fund's fund balance increased \$436,536 over 2018. This increase was anticipated by the Board of Trustees.

Using this Comprehensive Annual Financial Report (CAFR)

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

**BARACK OBAMA GREEN CHARTER HIGH SCHOOL
PLAINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED
(CONTINUED)**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Charter School's basic financial statements. The Charter School's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Charter School's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets, deferred outflows of resources, deferred inflows of resources and liabilities of the Charter School, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Charter School is improving or deteriorating.

The statement of activities presents information showing how the net position of the Charter School changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found starting on page 26 of this report.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Charter School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Charter School can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**BARACK OBAMA GREEN CHARTER HIGH SCHOOL
PLAINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED
(CONTINUED)**

Governmental Funds (Continued)

The Charter School maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and special revenue fund, all of which are considered to be major funds.

The Charter School adopts an annual appropriated budget for its general fund and special revenue fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and the special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found starting on page 30 of this report.

Proprietary Funds

The Charter School maintains proprietary fund types in the form of enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Charter School uses enterprise funds to account for the operations of its food service which is considered a major fund of the Charter School. Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements can be found starting on page 34 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Charter School's own programs.

The Charter School uses agency funds to account for resources held for student activities and groups and payroll related liabilities. The Charter School uses trust funds to account for unemployment compensation claims. The fiduciary fund financial statements can be found starting on page 38 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 41 of this report.

Other Information

The required supplementary information and combining statements referred to earlier in connection with governmental funds and proprietary funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found starting on page 84 of this report.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Figure A-1 summarizes the major features of the Charter School's financial statements, including the portion of the Charter School's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Major Features of the Barack Obama Green Charter High School's
Government-Wide and Fund Financial Statements
(Figure A-1)**

	Government-Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Charter School (except fiduciary funds)	The activities of the Charter School that are not proprietary or fiduciary, such as regular and special education and building maintenance	Activities the Charter School operates similar to private businesses: Food Service Fund	Instances in which the Charter School is the trustee or agent for someone else's resources, such as payroll agency and student activities
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balance	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long- term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long- term	All assets and liabilities, both financial and capital, and short-term and long- term
Type of inflow/outflow information	All revenues and expenses during the 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	All revenues and expenses during the year, regardless of when cash is received or paid

**BARACK OBAMA GREEN CHARTER HIGH SCHOOL
PLAINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2019
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(CONTINUED)**

The Charter School as a Whole

The Statement of Net Position provides the perspective of the Charter School as a whole. Net position may serve as an indicator of a government's financial position. However, as noted earlier, net position is not the primary basis for decision making for each budget cycle.

The Charter School's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table provides a summary of net position relating to the Charter School's governmental and business-type activities as of June 30, 2019 and 2018:

**Table 1
Net Position**

	2019	2018
Assets		
Current and Other Assets	\$ 2,066,041	\$ 1,594,694
Capital Assets	<u>-</u>	<u>138,604</u>
Total Assets	<u>2,066,041</u>	<u>1,733,298</u>
Deferred Outflows of Resources		
Related to Pensions	<u>491,154</u>	<u>476,295</u>
Liabilities		
Account and Other Payables	187,704	105,740
Long-Term Liabilities	<u>966,148</u>	<u>1,005,647</u>
Total Liabilities	<u>1,153,852</u>	<u>1,111,387</u>
Deferred Inflows of Resources		
Related to Pensions	<u>393,792</u>	<u>311,935</u>
Net Position		
Net Investment in Capital Assets	-	138,604
Restricted	75,000	75,000
Unrestricted	<u>934,551</u>	<u>572,667</u>
Total Net Position	<u>\$ 1,009,551</u>	<u>\$ 786,271</u>

A portion of the Charter School's net position is its net investment in capital assets, e.g. leasehold improvements and furniture, machinery and equipment, less any related debt used to acquire those assets that are still outstanding. The Charter School uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the Charter School's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**BARACK OBAMA GREEN CHARTER HIGH SCHOOL
PLAINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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UNAUDITED
(CONTINUED)**

The Charter School as a Whole (Continued)

The net pension liability recorded as of June 30, 2019 is the result of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date — an amendment of GASB Statement No. 68*. The decrease of \$39,499 from the prior year relates to changes in the actuarial assumptions from the prior year and the pension funding status of the State of New Jersey.

Capital assets decreased due to current year depreciation exceeding expenses that were capitalized relating to various capital outlay and adjustment to leasehold improvements.

An additional portion of the Charter School's net position (restricted) represents resources that are subject to external restrictions on how they may be used, which total \$75,000 at June 30, 2019. This restricted net position balance is the result of additional funds being deposited into the capital reserve account. The remaining balance of unrestricted net position may be used to meet the Charter School's ongoing obligations to the community they provide program services and creditors.

Charter School Activities

The key elements of the Charter School's changes in net position for the years ended June 30, 2019 and 2018 are as follows:

**Table 2
Changes in Net Position**

	2019	2018
Revenues		
Program Revenues:		
Charges for Services	\$ -	\$ 363
Operating Grants and Contributions	130,256	143,850
General Revenues:		
General Purposes	541,139	611,156
Grants and Entitlements	3,833,225	4,031,155
Other	<u>46,790</u>	<u>120,642</u>
Total Revenues	<u>4,551,410</u>	<u>4,907,166</u>
Program Expenses		
Instruction	2,095,280	2,108,993
Administration	1,232,686	1,824,154
Support Services	767,274	780,319
Capital Outlay	125,006	4,177
Unallocated Depreciation	13,598	14,624
Food Service	<u>94,286</u>	<u>123,809</u>
Total Program Expenses	<u>4,328,130</u>	<u>4,856,076</u>
Changes in Net Position	<u>\$ 223,280</u>	<u>\$ 51,090</u>

**BARACK OBAMA GREEN CHARTER HIGH SCHOOL
PLAINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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(CONTINUED)**

The Charter School as a Whole (Continued)

The increase in revenues is attributed to combining changes in revenue related to the local, state, and federal aid and GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which were contributions made on behalf of the Charter School by the State for post-employment health benefits.

The increase in program expenses is attributed to combining changes in expenses related to certain expenses due to the Charter School receiving local, state, and federal aid, the allocation of TPAF Social Security and Pension expenses due to the GASB 68 valuation, and post-employment health benefit expenses related to GASB 75.

Governmental Activities

The Charter School's total revenues were \$4,454,536 for the year ended June 30, 2019 and \$4,813,144 for 2018. Federal, state, and local grants and state aid accounted for 87% for 2019 and 85% for 2018 of revenues which includes \$390,039 for 2019 and \$427,899 for 2018 of state reimbursed TPAF social security contributions and on-behalf TPAF pension, post-retirement medical, and long-term disability insurance contributions.

The total cost of all program and services was \$4,187,734 for 2019 and \$4,682,075 for 2018. Instruction comprises 50% for 2019 and 45% for 2018 of Charter School expenses.

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

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

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

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

Business-Type Activities

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

- ❖ Food service revenues exceeded expenses by \$2,588 for 2019 and expenses exceeded revenues by \$29,787 for 2018.
- ❖ Charges for services represent none for 2019 and \$363 for 2018. This represents amounts paid by patrons for daily food.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced breakfast and lunches were \$84,146 for 2019 and \$93,658 for 2018.

**BARACK OBAMA GREEN CHARTER HIGH SCHOOL
PLAINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED
(CONTINUED)**

The Charter School's Funds

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$4,230,400 for 2019 and \$4,500,836 for 2018 and expenditures were \$3,793,864 for 2019 and \$4,324,083 for 2018. The net change in fund balance was most significant in the general fund, an increase of \$436,536 in 2019 and an increase of \$176,753 in 2018.

As demonstrated by the various statements and schedules included in the financial section of this report, the Charter School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2019.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2018	Percent of Increase/ (Decrease)
Local Sources	\$ 575,201	13.60%	\$ (156,596)	-21.40%
State Sources	3,420,536	80.85%	(140,575)	-3.95%
Federal Sources	234,663	5.55%	26,735	12.86%
Total	\$ 4,230,400	100.00%	\$ (270,436)	

Federal Sources increased due to additional grants funding.

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2019.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2018	Percent of Increase/ (Decrease)
Instruction	\$ 1,567,338	41.31%	\$ (65,394)	-4.01%
Administration	1,482,081	39.07%	(449,426)	-23.27%
Support Services	744,445	19.62%	(11,222)	-1.49%
Capital Outlay	-	0.00%	(4,177)	-100.00%
Total	\$ 3,793,864	100.00%	\$ (530,219)	

Changes in expenditures were the result of varying factors.

**BARACK OBAMA GREEN CHARTER HIGH SCHOOL
PLAINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED
(CONTINUED)**

The Charter School's Funds (Continued)

General Fund Budgeting Highlights

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

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

TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the Charter School but is required to be reflected in the financial statements.

Capital Assets (Net of Depreciation)

The Charter School had fully depreciated capital assets at June 30, 2019 and \$138,604 at June 30, 2018 invested in leasehold improvements, furniture, machinery and equipment for governmental activities. The table shows the balances of capital assets (net of depreciation) for fiscal years 2019 and 2018.

	2019				2018
	Beginning Balance	Additions	Retirements	Ending Balance	
Governmental Activities:					
<i>Capital Assets Being Depreciated:</i>					
Leasehold Improvements	\$ 156,257	\$ -	\$ 156,257	\$ -	\$ 156,257
Furniture, Machinery and Equipment	38,131	-	-	38,131	38,131
Totals Capital Assets Being Depreciated	<u>194,388</u>	<u>-</u>	<u>156,257</u>	<u>38,131</u>	<u>194,388</u>
<i>Less Accumulated Depreciation:</i>					
Leasehold Improvements	20,834	10,417	31,251	-	20,834
Furniture, Machinery and Equipment	34,950	3,181	-	38,131	34,950
Total Accumulated Depreciation	<u>55,784</u>	<u>13,598</u>	<u>31,251</u>	<u>38,131</u>	<u>55,784</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>138,604</u>	<u>(13,598)</u>	<u>125,006</u>	<u>-</u>	<u>138,604</u>
Government Activity Capital Assets, Net	<u>\$ 138,604</u>	<u>\$ (13,598)</u>	<u>\$ 125,006</u>	<u>\$ -</u>	<u>\$ 138,604</u>

Debt Administration

The Charter School's net pension liability as of June 30, 2019 and 2018 was \$966,148 and \$1,005,647, respectively.

For more detailed information, please refer to the Notes to the Financial Statements.

**BARACK OBAMA GREEN CHARTER HIGH SCHOOL
PLAINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED
(CONTINUED)**

Factors Bearing on the Charter School's Future

The Barack Obama Green Charter High School is in good financial condition presently. The Charter School is proud of its community support. A major concern is the continued enrollment growth of the Charter School with the increased reliance on federal and state funding.

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

Contacting the Charter School's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have questions about this report or need additional information, contact Ms. Erin Murphy Richardson, Chief Executive Officer at Barack Obama Green Charter High School, 35 Watchung Avenue, Plainfield, New Jersey 07060.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the Charter School's operation. These financial statements present the financial position and operating results of all funds as of June 30, 2019.

SECTION A – GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Statement of Net Position

June 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents:			
Unrestricted	\$ 1,839,334	\$ 3,146	\$ 1,842,480
Restricted	75,000		75,000
Interfund Receivables	51,183		51,183
Receivables	32,309	5,069	37,378
Other Assets	60,000		60,000
	<hr/>	<hr/>	<hr/>
Total Assets	2,057,826	8,215	2,066,041
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	491,154		491,154
	<hr/>	<hr/>	<hr/>
Deferred Outflows of Resources	491,154	-	491,154
	<hr/>	<hr/>	<hr/>
LIABILITIES:			
Interfund Payable	35,197	2,323	37,520
Payable to District	95,677		95,677
Accounts Payable	54,507		54,507
Noncurrent Liabilities:			
Due Beyond One Year:			
Net Pension Liability	966,148		966,148
	<hr/>	<hr/>	<hr/>
Total Liabilities	1,151,529	2,323	1,153,852
	<hr/>	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	393,792		393,792
	<hr/>	<hr/>	<hr/>
Deferred Inflows of Resources	393,792	-	393,792
	<hr/>	<hr/>	<hr/>
NET POSITION:			
Restricted for:			
General Fund	75,000		75,000
Unassigned	928,659	5,892	934,551
	<hr/>	<hr/>	<hr/>
Total Net Position	<u>\$ 1,003,659</u>	<u>\$ 5,892</u>	<u>\$ 1,009,551</u>

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Statement of Activities
 For The Fiscal Year Ended June 30, 2019

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes In Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:						
Instruction	\$ 2,095,280	\$ 46,110	\$ -	\$ (2,049,170)	\$ -	\$ (2,049,170)
Administration	1,232,686			(1,232,686)		(1,232,686)
Support Services	767,274			(767,274)		(767,274)
Capital Outlay	125,006			(125,006)		(125,006)
Unallocated Depreciation	13,598			(13,598)		(13,598)
Total Governmental Activities	4,233,844	46,110	-	(4,187,734)	-	(4,187,734)
BUSINESS-TYPE ACTIVITIES:						
Food Service	94,286	84,146			(10,140)	(10,140)
Total Business-Type Activities	94,286	84,146	-	-	(10,140)	(10,140)
Total Primary Government	\$ 4,328,130	\$ 130,256	\$ -	\$ (4,187,734)	\$ (10,140)	\$ (4,197,874)
GENERAL REVENUES						
General Purposes				\$ 541,139	\$ -	\$ 541,139
Federal and State Aid Not Restricted				3,833,225		3,833,225
Investment Earnings					1	1
Miscellaneous Income				34,062	12,727	46,789
Total General Revenues				4,408,426	12,728	4,421,154
Change in Net Position				220,692	2,588	223,280
Net Position - Beginning				782,967	3,304	786,271
Net Position - Ending				\$ 1,003,659	\$ 5,892	\$ 1,009,551

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

SECTION B – FUND FINANCIAL STATEMENTS

The combining and individual fund and account group statements and schedules present more detailed information for the individual funds in a format that segregates information by fund type. The statements are segregated as follows:

Governmental Funds – This section consists of the general, special revenue, capital projects, and debt service funds.

Proprietary Funds – This section consists of the food service program. These funds are operated in a manner to a private business enterprise.

Fiduciary Funds – This section consists of the unemployment compensation insurance trust fund, the student activity and the payroll agency funds.

GOVERNMENTAL FUNDS

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Governmental Funds
Balance Sheet
June 30, 2019

	General Fund	Special Revenue Fund	Total
ASSETS:			
Cash and Cash Equivalents:			
Unrestricted	\$ 1,815,107	\$ 24,227	\$ 1,839,334
Restricted	75,000		75,000
Receivables:			
Interfund Receivables	51,183		51,183
Receivables From Other Governments	21,339	10,970	32,309
Other Assets	60,000		60,000
Total Assets	\$ 2,022,629	\$ 35,197	\$ 2,057,826
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Interfund Payables	\$ -	\$ 35,197	\$ 35,197
Payable to District	95,677		95,677
Accounts Payable	4,766		4,766
Total Liabilities	100,443	35,197	135,640
Fund Balances:			
Reserved For:			
Capital Reserve Account	75,000		75,000
Unassigned:			
General Fund	1,847,186		1,847,186
Total Fund Balances	1,922,186	-	1,922,186
Total Liabilities and Fund Balances	\$ 2,022,629	\$ 35,197	
Amounts reported for <i>governmental activities</i> 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 governmental funds. The cost of the assets is \$38,131 and the accumulated depreciation is \$38,131.			
			-
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.			
			(966,148)
Accrued pension contributions for the June 30, 2019 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.			
			(49,741)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.			
Deferred outflows related to pensions			491,154
Deferred inflows related to pensions			(393,792)
Net Position of Governmental Activities			\$ 1,003,659

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Total
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 541,139	\$ -	\$ 541,139
Miscellaneous	34,062		34,062
Total Local Sources	575,201	-	575,201
State Sources	3,420,536		3,420,536
Federal Sources		234,663	234,663
Total Revenues	3,995,737	234,663	4,230,400
EXPENDITURES:			
Current:			
Instruction	1,377,721	189,617	1,567,338
Administration	1,482,081		1,482,081
Support Services	699,399	45,046	744,445
Total Expenditures	3,559,201	234,663	3,793,864
NET CHANGE IN FUND BALANCES	436,536	-	436,536
FUND BALANCES, JULY 1	1,485,650	-	1,485,650
FUND BALANCES, JUNE 30	\$ 1,922,186	\$ -	\$ 1,922,186

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

BARACK OBAMA GREEN CHARTER HIGH 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, 2019

Total net change in fund balances - governmental fund (from B-2)	\$	436,536
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation Expense	\$ (13,598)	
Capital Outlay	<u>(125,006)</u>	(138,604)
<p>Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized.</p>		
		<u>(77,240)</u>
Change in net position of governmental activities	\$	<u><u>220,692</u></u>

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

PROPRIETARY FUNDS

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Proprietary Fund
 Statement of Net Position
 June 30, 2019

	Business-Type Activities Enterprise Fund
	Food Service Programs
	School Nutrition
ASSETS:	
Cash and Cash Equivalents	\$ 3,146
Intergovernmental Accounts Receivable:	
Federal	4,989
State	80
Total Assets	\$ 8,215
LIABILITIES AND NET POSITION:	
Liabilities:	
Interfund Accounts Payable	\$ 2,323
Total Liabilities	2,323
Net Position:	
Unassigned	5,892
Total Net Position	5,892
Total Liabilities and Net Position	\$ 8,215

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2019

	Business-Type Activities Enterprise Fund
	Food Service Programs
	School Nutrition
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Program (Reimbursable Program) Meals	\$ -
Daily Sales - Non-Program (Non-Reimbursable Program) Meals	-
	-
Total Operating Revenues	-
OPERATING EXPENSES:	
Cost of Sales - Program (Reimbursable Program) Meals	86,484
Cost of Sales - Non-Program (Non-Reimbursable Program) Meals	-
Supplies and Materials	144
Miscellaneous Expenses	7,658
	94,286
Total Operating Expenses	94,286
OPERATING LOSS	(94,286)
NONOPERATING REVENUES:	
State Source:	
State School Lunch Program	1,305
Federal Source:	
National School Breakfast and Lunch Programs	82,841
Interest Earned	1
	84,147
Total Nonoperating Revenues	84,147
CHANGE IN NET ASSETS BEFORE OTHER FINANCING SOURCES	(10,139)
OTHER FINANCING SOURCES:	
Transfers In	12,727
	12,727
Total Other Financing Sources	12,727
CHANGE IN NET POSITION	2,588
TOTAL NET POSITION, JULY 1	3,304
TOTAL NET POSITION, JUNE 30	\$ 5,892

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2019

	Business-Type Activities
	Enterprise Fund
	Food Service Programs
	School Nutrition
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ (335)
Cash Payments to Suppliers and Employees	(94,286)
	(94,621)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received From State And Federal Reimbursements	84,146
Transfers In	12,727
	96,873
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on Deposits and Investments	1
	1
Net Increase In Cash And Cash Equivalents	2,253
Cash And Cash Equivalents, Beginning Of Year	893
Cash And Cash Equivalents, End Of Year	\$ 3,146
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:	
Operating Loss Used In Operating Activities	\$ (94,286)
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities:	
Change In Assets And Liabilities:	
Increase In Receivables From Other Governments	(335)
Net Cash Used For Operating Activities	\$ (94,621)

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

FIDUCIARY FUNDS

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2019

	Trusts	Agency Funds
	Unemployment Compensation Insurance	
ASSETS:		
Cash and Cash Equivalents	\$ -	\$ 27,904
Total Assets	-	\$ 27,904
LIABILITIES:		
Interfund Accounts Payable		\$ 13,663
Due to Student Groups		14,241
Total Liabilities	-	\$ 27,904
NET POSITION:		
Held in Trust for Claims	-	
Total Liabilities and Net Position	\$ -	

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For Fiscal Year Ended June 30, 2019

	Trusts
	Unemployment Compensation Insurance
ADDITIONS:	
Employee Contributions	\$ 4,001
Board Contributions	16,064
	20,065
Total Additions	20,065
DEDUCTIONS:	
Payment of Claims	20,065
	20,065
Total Deductions	20,065
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF THE YEAR	-
NET POSITION - END OF THE YEAR	\$ -

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Barack Obama Green Charter High School (the "Charter School") have been prepared to conform with accounting principles generally accepted in the United States of America ("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. In its accounting and financial reporting, the Charter School follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the Charter School are described below.

B. Reporting Entity

The Charter School is a non-profit corporation organized under the laws of the State of New Jersey, established in 2009 to operate and maintained a public school under a charter granted by the State of New Jersey. Its first year of operation, however, was the 2010-2011 school year. The Charter School Board of Trustees consists of three members and must comply with the Charter School Program Act of 1995 and regulations promulgated thereunder.

The primary criterion for including activities within the Charter School's reporting entity are set forth in Statement No. 14 of the Governmental Accounting Standards Board entitled "The Financial Reporting Entity" (GASB 14) as codified in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. Under GASB Statement No. 14, the financial reporting entity is determined by the degree of oversight responsibility maintained by the Charter School. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the Charter School over which it exercises operating control. Barack Obama Green Charter High School operates its high school, for Grades 9-12, in the City of Plainfield. There are 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.

C. Basic Financial Statements – Government-Wide Statements

The statement of net position and the statement of activities display information about the Charter School. These statements include the financial activities of the Charter School, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Charter School. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Government-Wide Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Charter School and for each function of the Charter School's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Charter School.

D. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Charter School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Charter School:

Governmental Fund Types

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Charter School.

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 non-instructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Charter School includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

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

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. As of June 30, 2019, the Charter School do not have Capital Projects Fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs. As of June 30, 2019, the Charter School do not have Debt Service Fund.

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

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

Governments should establish a policy that defines operating revenues and expenses that is appropriate to the nature of the activity being reported, and use

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

it consistently from period to period. Transactions for which cash flows are reported as capital and related financing activities, non-capital financing activities, or investing activities normally would not be reported as components of operating income.

The Charter School's Enterprise Fund are comprised of the Food Service Fund operations.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method.

In its accounting and financial reporting, the Charter School follows the pronouncements of the 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 business-type activities and enterprise funds have elected not to apply the standards issued by the FASB after November 30, 1989.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements; however, interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Charter School enterprise funds are charges for daily sales of food, special functions and miscellaneous receipts. Operating expenses for proprietary funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Fund Types - Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Charter School programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expense of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The Charter School's fiduciary funds are presented in the fiduciary fund financial statements by type (Unemployment Compensation and Agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be sued to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Trust Funds – The unemployment compensation fund is used to account for contributions from the Charter School and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims. Although there is no formal trust agreement, the State of New Jersey requires charter schools to include the unemployment compensation trust as a private-purpose trust fund in the fiduciary fund. The principal and income deposited into this fund are for the sole benefit of the specific individuals or former employees. The management of the Charter School is not involved in determining the amounts current employees contribute to the fund or amounts paid out by the fund. That determination is made by the State of New Jersey. The Unemployment Compensation Fund is recorded as a trust fund because there is no debt issued related to unemployment compensation claims.

Agency Funds (Payroll, Payroll Agency and Student Activity Funds): The agency funds are used to account for the assets that the Charter School holds on behalf of others as their agent. These are custodial in nature and do not involve measurement of results of operations.

In accordance with GASB Statement 34, fiduciary funds are not included in the government-wide financial statements.

E. Measurement Focus and Basis of Accounting

The government-wide proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Charter School gives (or receives) value without directly receiving (or giving) equal value in exchange, include state and federal aid, property taxes, grants, entitlements and donations.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Government funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

The Charter School considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

F. Budgets/Budgetary Control

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

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

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

Total Revenues & Expenditures (Budgetary Basis)	\$ 234,663
Adjustments:	
Less Encumbrances at June 30, 2019	-
Plus Encumbrances at June 30, 2018	-
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 234,663</u>

The reconciliation of the general and special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting is presented on Note A in the Required Supplementary Information Section.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Deferred Outflow/Inflows of Resources, Net Position and Fund Equity

1. Deposits and Investments

Deposits are cash and cash equivalents including petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Other than Certificates of Deposit, deposits with maturities of greater than three months are considered to be Investments. 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.

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

2. Short-term Interfund Receivables/Payables

Short-term interfund receivables/payables represents 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.

3. Inventories

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

4. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on the following assets is provided on the straight-line basis over the following estimated useful lives:

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflow/Inflows of Resources, Net Position and Fund Equity (Continued)

Buildings	20-50 years
Machinery and Equipment	5-10 years
Land Improvements	10-20 years
Other Infrastructure	10-50 years

Land and Construction in Progress are not depreciated.

GASB No. 34 requires the Charter School to report and depreciate new infrastructure assets include roads, parking lots, underground pipe, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The Charter School has included all infrastructure assets in the current fiscal year.

5. Fund Equity

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

6. Use of Estimates

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

7. Net Position/Fund Balance

The Charter School implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, during the current fiscal year. This statement defines net position as the residual of all other elements presented in statement of financial position. It is the difference between (1) assets and deferred outflows of resources and (2) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

In the Government-Wide Statements, there are three classes of net position:

Net Investment in Capital Assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflow/Inflows of Resources, Net Position and Fund Equity (Continued)

resources attributable to the acquisition, construction, or improvement of those assets or related debt also should be included.

Restricted Net Position – reports net position when constraints placed on the residual amount of noncapital assets are either imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – any portion of net position not already classified as either net investment in capital assets or net position-restricted.

H. Fund Balance Reserves

In the fund financial statements, governmental funds report the following classifications of fund balance:

Unassigned – Includes amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the General Fund. The Charter School reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Charter School considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, and the Charter School considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

I. Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements

Other GASB Statements that the Charter School is currently reviewing for applicability and potential impact on the financial statements include:

Statement No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

Statement No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact of Recently Issued Accounting Principles (Continued)

leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

J. Pensions

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

NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES

A. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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 Governmental Unit Deposit Protection Act. Public

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES (CONTINUED)

Deposits and Investments (Continued)

depositories include savings and loan institutions, banks (both state and national banks) and savings banks of which the deposits 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.

As of June 30, 2019, cash and cash equivalents of the Charter School consisted of the following:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Proprietary Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Operating Account	<u>\$ 1,890,107</u>	<u>\$ 24,227</u>	<u>\$ 3,146</u>	<u>\$ 27,904</u>	<u>\$ 1,945,384</u>

The Charter School had no investments at June 30, 2019.

The carrying amount of the Board's cash and cash equivalents at June 30, 2019 was \$1,945,384 and the bank balance was \$1,979,137. All bank balances were covered by federal depository insurance (FDIC) and/or by a collateral pool maintained by the banks as required by GUDPA.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the Charter School's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the Charter School would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by a pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

As of June 30, 2019, none of the cash and cash equivalents for Barack Obama Green Charter High School were exposed to custodial credit risk.

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

**NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES
(CONTINUED)**

Deposits and Investments (Continued)

Investments

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

- a. When authorized by resolution adopted by a majority vote of all its board members, the Charter School may use moneys which may be in hand for the purchase of the following types of securities, which, if suitable for registry, may be registered in the name of the Charter School;
 - (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
 - (2) Government money market mutual funds;
 - (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest no dependent on any index or other external factor;
 - (4) Bonds or other obligations of the charter school or bonds or other obligations of local unit or units within which the charter school is located;
 - (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by charter schools;
 - (6) Local government investment pools;
 - (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) or
 - (8) Agreements for the repurchase of fully collateralized securities, if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days; and
 - d. the underlying securities are purchased through a public depository as defined in Section 1 of P.L. 1970, c.236 (C.17:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.

Credit Risk: The Charter School does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosures be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The Charter School did not have any investments at June 30, 2019.

Interest Rate Risk: The Charter School does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Charter School did not have any investments at June 30, 2019.

Concentration of Credit Risk: The Charter School places no limit on the amount they may invest in any one issuer. The Charter School did not have any investments at June 30, 2019.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES
(CONTINUED)

B. Receivables

Receivables at June 30, 2019, consisted of accounts, intergovernmental, grants, and miscellaneous.

All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Governmental Wide Financial Statements
State Aid	\$ 16,848	\$ 16,928
Federal Aid	10,970	15,959
Other	4,491	4,491
Gross Receivables	<u>32,309</u>	<u>37,378</u>
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u>\$ 32,309</u>	<u>\$ 37,378</u>

C. Interfund Receivables and Payables

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

The following interfund balances remained on the fund financial statements at June 30, 2019:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 51,183	\$ -
Special Revenue Fund		35,197
Proprietary Fund		2,323
Fiduciary Fund		13,663
	<u>\$ 51,183</u>	<u>\$ 51,183</u>
Total	<u>\$ 51,183</u>	<u>\$ 51,183</u>

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES
(CONTINUED)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Capital Assets Being Depreciated:</i>				
Leasehold Improvements	\$ 156,257	\$ -	\$ 156,257	\$ -
Machinery and Equipment	38,131	-	-	38,131
Total Capital Assets Being Depreciated	<u>194,388</u>	<u>-</u>	<u>156,257</u>	<u>38,131</u>
Less Accumulated Depreciation For:				
Leasehold Improvements	20,834	10,417	31,251	-
Machinery and Equipment	34,950	3,181	-	38,131
Total Accumulated Depreciation	<u>55,784</u>	<u>13,598</u>	<u>31,251</u>	<u>38,131</u>
Total Capital Assets Being Depreciated,				
Net of Accumulated Depreciation	<u>138,604</u>	<u>(13,598)</u>	<u>125,006</u>	<u>-</u>
Government Activity Capital Assets, Net	<u>\$ 138,604</u>	<u>\$ (13,598)</u>	<u>\$ 125,006</u>	<u>\$ -</u>

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the Charter School-wide statement of net position. One item of that reconciliation explains that capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. An addition to the fund balance-total governmental funds is made to reflect the carrying value of the Charter School's capital assets at year-end in the Charter School-wide financial statements.

Depreciation expense was charged to functions as follows:

Depreciation Expense:	
Unallocated	<u>\$ 13,598</u>
Total	<u>\$ 13,598</u>

NOTE 3: DETAILED DISCLOSURES REGARDING LIABILITIES AND EXPENSES
/EXPENDITURES

Rental Lease

The school leases classroom and office space from Un-Bldg Corp at 35 Watchung Avenue, Plainfield, New Jersey with a security deposit of \$60,000. The lease is for twenty-four (24) months commencing May 1, 2012 and expiring on April 30, 2016 with an option to renew for an additional period of five (5) years. In addition, the school shall pay the landlord the cost of trash removal from the premise on a monthly basis.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

**NOTE 3: DETAILED DISCLOSURES REGARDING LIABILITIES AND EXPENSES
/EXPENDITURES (CONTINUED)**

The lease was renewed for an additional term of thirty-six (36) months commencing May 1, 2016 and ending on April 30, 2019 with an option to renew for an additional period of three (3) years.

On May 2019, the lease was renewed for an additional term of fifty (50) months commencing May 1, 2019 and ending on June 30, 2023.

Future minimum lease payments are as follows:

<u>Year Ended April 30,</u>	<u>Amount</u>
2020	\$ 411,381
2021	419,608
2022	428,000
2023	428,000
May 2023	35,667
June 2023	<u>35,667</u>
Total future minimum lease payments	<u>\$ 1,758,323</u>

The school also leases the Parish Hall from Watchung Avenue Presbyterian Church (WAPC) for the purpose of using the space for their Physical Education and Health Program. WAPC also let the school have two (2) storage spaces below the stage in the Parish Hall. The school can also use the Sanctuary area of the church for their Town Hall Day one Friday during the months of September, December, April, and June for assembly with students and faculty. The Parish Hall and Sanctuary will become the school's Emergency Evacuation Site in cases of emergency when children and faculty are required to leave the central location at 35 Wachung Avenue. The school has use of the premises during normal operating hours for the 2018-2019 academic year. The lease was renewed for 2019-2020 academic year under the same terms and conditions.

In addition, the school buys parking passes from Plainfield Parking Bureau to save parking spots for faculty and guests in the public parking lot near the school.

Total lease payments for the year ended June 30, 2019 amounted to \$433,484.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

A substantial number of the Charter School's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several Charter School employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.nj.gov/treasury/pensions>.

A. Public Employees' Retirement System (PERS)

Plan Description

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

Vesting and Benefit Provisions

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

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

Public Employees' Retirement System (PERS) (Continued)

Vesting and Benefit Provisions (Continued)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Charter School contributions to PERS amounted to \$49,741 for fiscal year 2019.

The employee contribution rate was 7.34% effective July 1, 2017. Subsequent increases after October 1, 2011 are being phased on over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

Public Employees' Retirement System (PERS) (Continued)

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

At June 30, 2019, the Charter School reported a liability of \$966,148 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2017 which was rolled forward to June 30, 2018. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. For the June 30, 2018 measurement date, the Charter School's proportion was 0.0049069199%, which was an increase of 0.0005868321% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the Charter School recognized pension expense of \$125,971, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2018 measurement date.

At June 30, 2019, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 18,425	\$ 4,982
Changes in Assumptions	159,205	308,923
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	9,063
Changes in Proportion and Differences between Charter School Contributions and Proportionate Share of Contributions	263,783	70,824
Charter School Contributions Subsequent to the Measurement Date	<u>49,741</u>	<u>-</u>
	<u>\$ 491,154</u>	<u>\$ 393,792</u>

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

Public Employees' Retirement System (PERS) (Continued)

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

\$49,741, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2020.

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2019	\$ 6,706
2020	(9,284)
2021	(66,573)
2022	(57,707)
2023	(18,480)
	<hr/>
	\$ (145,338)

Changes in Proportion

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

Public Employees' Retirement System (PERS) (Continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72 years	-
June 30, 2016	5.57 years	-
June 30, 2017	5.48 years	-
June 30, 2018	-	5.63 years
Changes in Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44 years	-
June 30, 2015	5.72 years	-
June 30, 2016	5.57 years	-
June 30, 2017	-	5.48 years
June 30, 2018	-	5.63 years
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00 years	-
June 30, 2015	5.00 years	-
June 30, 2016	5.00 years	-
June 30, 2017	5.00 years	-
June 30, 2018	5.00 years	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44 years	-
June 30, 2015	5.72 years	-
June 30, 2016	5.57 years	-
June 30, 2017	-	5.48 years
June 30, 2018	-	5.63 years

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	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%

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

The actuarial assumptions used in the July 01, 2017 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.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

Public Employees' Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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%

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

Public Employees' Retirement System (PERS) (Continued)

Discount Rate (Continued)

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 based on the contribution rate in the most recent fiscal year. The State employer contributed 50% 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the Charter School's proportionate share of the collective net pension liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the Charter School's proportionate share of the collective 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:

	Fiscal Year Ended June 30, 2018		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Charter School's Proportionate Share of the Net Pension Liability	\$ 1,214,820	\$ 966,148	\$ 757,528

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, 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. For additional information about PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

B. Teacher's Pension Annuity Fund (TPAF)

Pension Description

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

Vesting and Benefit Provisions

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

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

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

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

Contributions

The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal year 2018, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the Charter School. However, the notes to the financial statements of the Charter School must disclose the portion of the Charter School's total proportionate share of the net pension liability that is associated with the Charter School. During the fiscal year ended June 30, 2019, the State of New Jersey contributed \$18,872 to the TPAF for normal pension benefits on behalf of the Charter School, which is less than the contractually required contribution of \$197,574.

The employee contribution rate was 7.34% effective July 1, 2017. Subsequent increases after October 1, 2011 are being phased on over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2019, the Charter School was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

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

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

The State's proportionate share of the net pension liability, attributable to the Charter School is as follows:

Charter School's Proportionate Share of the Net Pension Liability	\$ -
State of New Jersey 's Proportionate Share of the Net Pension Liability Associated with the Charter School	<u>8,314,905</u>
Total	<u>\$ 8,314,905</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. For the June 30, 2018 measurement date, the Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2018, Charter School's proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2018 measurement date, the State's proportionate share of the TPAF net pension liability associated with the Charter School was 0.0130700811%, which was an increase of 0.0018363995% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the Charter School recognized \$484,730 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2018 measurement date.

The State reported the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2018:

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 11,053,759,853	\$ 16,078,750,001
Difference Between Expected and Actual Experience	1,420,239,017	96,229,812
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	5,793,830
	<u>\$ 12,473,998,870</u>	<u>\$ 16,180,773,643</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	8.50 years
June 30, 2015	8.30 years	-
June 30, 2016	-	8.30 years
June 30, 2017	8.30 years	-
June 30, 2018	8.29 years	-
Changes in Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	8.50 years	-
June 30, 2015	8.30 years	-
June 30, 2016	8.30 years	-
June 30, 2017	-	8.30 years
June 30, 2018	-	8.29 years
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00 years
June 30, 2015	-	5.00 years
June 30, 2016	-	5.00 years
June 30, 2017	-	5.00 years
June 30, 2018	-	5.00 years

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

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

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

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense excluding that attributable to employer-paid member contributions as follows:

Fiscal Year Ending June 30,	Total
2019	\$ 401,574,312
2020	208,932,249
2021	(222,922,941)
2022	(149,225,008)
2023	(735,040,983)
Thereafter	<u>(3,210,092,402)</u>
	<u>\$ (3,706,774,773)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate 2.25%

Salary Increases:

2011-2026 1.55 - 4.55%

Thereafter 2.00 - 5.45%

Investment Rate of Return 7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

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

Actuarial Assumptions (Continued)

White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 01, 2017 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, 2018) 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 TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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%

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

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

Discount Rate

The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. 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 3.87% as of June 30, 2018, 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 based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

As previously mentioned, TPAF has a special funding situation where the State pays 100% of the Charter School's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2018, the pension plans measurement date, attributable to the Charter School is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the Charter School, using a discount rate of 4.86%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

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

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

	Fiscal Year Ended June 30, 2018		
	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
Charter School's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of the Net Pension Liability Associated with the Charter School	9,857,180	8,339,542	7,081,457
	<u>\$ 9,857,180</u>	<u>\$ 8,339,542</u>	<u>\$ 7,081,457</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and additions to/deductions from TPAF's fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, 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. For additional information about TPAF, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions.

C. Defined Contribution Retirement Program (DCRP)

Plan Description

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 4: PENSION PLANS

Defined Contribution Retirement Program (DCRP) (Continued)

Plan Description (Continued)

IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for Tier 3 enrollment but who earn salary of at least \$5,000.00 annually (The minimum salary in 2019 is \$8,400 and is subject to adjustment in future years); and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for Tiers 4 or 5 enrollment, but who earn salary of at least \$5,000 annually. The minimum number of hours is 32 hours per week for local education employees.

Vesting and Benefit Provisions

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Charter School contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2019, there were no employee contributions reported, and there were no recognized pension expense reported and recognized by the Charter School, on which to equal the required contributions.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for charter schools.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2018. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local charter school employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage and prescription drug benefits to qualified retired education participants. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

Plan Description and Benefits Provided (Continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	<u>-</u>
Total Plan Members	<u><u>362,181</u></u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46,110,832,982, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuation as of June 30, 2017 which were rolled forward to June 30, 2018.

Actuarial Methods and Assumptions

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

Post-Retirement Medical Benefits Contributions (Continued)

increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the remeasured total OPEB liability in Fiscal Year 2017.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund-Local Education Retired for retirees' post-retirement benefits on behalf of the Charter School for the fiscal years ended June 30, 2019, 2018, and 2017 were \$91,493, \$127,333, and \$105,285, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired for PERS retirees' post-retirement benefits on behalf of the Charter School was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 01, 2017 through June 30, 2018. Nonemployer allocation percentages have been rounded for presentation purposes.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

In accordance with GASB No. 75, the Charter School is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the Charter School. Accordingly, the Charter School's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the Charter School. Therefore, in addition, the Charter School does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

At June 30, 2018, the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Actual and Expected Experience	\$ -	\$ (4,476,086,167)
Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumptions Changes	-	<u>(10,335,978,867)</u>
Sub Total	-	(14,812,065,034)
Contributions Made in Fiscal Year Ending 2018 After June 30, 2017 Measurement Date	TBD	Not Available
Total	<u>\$ -</u>	<u>\$ (14,812,065,034)</u>

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

Measurement Period Ending June 30,	Total
2019	\$ (1,825,218,593)
2020	(1,825,218,593)
2021	(1,825,218,593)
2022	(1,825,218,593)
2023	(1,825,218,593)
Total Thereafter	<u>(5,685,972,069)</u>
	<u>\$ (14,812,065,034)</u>

For the fiscal year ended June 30, 2019, the Charter School recognized in the government-wide statement of activities (accrual basis) OPEB expense of \$224,136. This amount has been included in the government-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2019, the State's proportionate share of the OPEB liability attributable to the Charter School is \$551,844. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the Charter School at June 30, 2017 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state's share of the OPEB liability attributable to the Charter School was 0.0011967773%, which was a decrease of 0.0004535929% from its proportionate share measured as of June 30, 2017 of 0.0016503703%.

Actuarial Assumptions

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

Actuarial Assumptions (Continued)

Inflation Rate 2.50%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.55%	2.15 - 4.15% based on age	2.10 - 8.98% based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15% based on age	3.10 - 9.98% based on age

Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TP AF or his or her age for PERS.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-20 17 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in future years.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2018.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

Discount Rate

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

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

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the Charter School for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

	<u>Charter School's Total OPEB Liability (State Share 100%)</u>	<u>State of New Jersey's Total OPEB Liability</u>
Balance at June 30, 2017 Measurement Date	\$ 885,256	\$ 53,639,841,858
Changes Recognized for the Fiscal Year:		
Service Cost	233,642	1,984,642,729
Interest on Total OPEB Liability	39,804	1,970,236,232
Changes of Benefit Terms	-	-
Differences between Expected and Actual Experiences	(529,285)	(5,002,065,740)
Effect of Changes of Assumptions	(63,327)	(5,291,448,855)
Contributions - Employees	510	42,614,005
Gross Benefits Paid by the State	(14,756)	(1,232,987,247)
Net Changes	<u>(333,412)</u>	<u>(7,529,008,876)</u>
Balance at June 30, 2018 Measurement Date	\$ 551,844	\$ 46,110,832,982

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017 to 3.87% in 2018.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the Charter School at June 30, 2018. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the Charter School for the fiscal year ended June 30, 2018 was not provided by the pension system.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the Charter School calculated using the discount rate of 3.87%, as well as what the State's proportionate share of the OPEB liability attributable to the Charter School that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

	<u>At 1% Decrease (2.87%)</u>	<u>At Current Discount Rate (3.87%)</u>	<u>At 1% Increase (4.87%)</u>
Net OPEB Liability (Allocable to the Charter School and the responsibility of the State)	\$ 652,392	\$ 551,844	\$ 471,919

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the Charter School calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Allocable to the Charter School and the responsibility of the State)	\$ 456,131	\$ 551,844	\$ 678,428

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the Charter School at June 30, 2018. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the Charter School at June 30, 2018 were not provided by the pension system.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2019

NOTE 6: RISK MANAGEMENT

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

Property and Liability Insurance

The Charter School maintains commercial insurance coverage for property, liability, student accident, and surety bonds, as well as all other risks of loss, including health and accident insurance. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance

The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the Charter School is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Charter School is billed quarterly for amounts due to the State.

<u>Fiscal Year</u>	<u>Charter School Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018-2019	\$ 16,064	\$ 4,001	\$ 20,065	\$ -
2017-2018	35,619	4,690	40,309	-
2016-2017	37,895	4,193	42,088	-
2015-2016	58,311	8,993	67,304	-
2014-2015	15,802	8,841	24,643	-

NOTE 7: DETAILED DISCLOSURE REGARDING FUND EQUITY

General Fund

Of the \$1,922,186 General Fund balance at June 30, 2019, \$75,000 is the Mandated Reserve account for Capital Reserve per State requirement and \$1,847,186 is unassigned and undesignated.

NOTE 8: SUBSEQUENT EVENTS

The Barack Obama Green Charter High School's management has informed us that there are no significant events that need to be disclosed after the balance sheet date through the date of the audit.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULES

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Equalization Aid - Local Share - Charter School Aid	\$ 527,575	\$ 13,564	\$ 541,139	\$ 541,139	\$ -
Total Local Sources	527,575	13,564	541,139	541,139	-
Categorical Aid:					
Equalization Aid - State Share - Charter School Aid	2,281,813	(157,172)	2,124,641	2,124,641	-
Special Education Categorical Aid	92,130	(46,020)	46,110	46,110	-
Security Aid	107,864	(6,758)	101,106	101,106	-
State Adjustment Aid	758,640		758,640	758,640	-
Total Categorical Aid	3,240,447	(209,950)	3,030,497	3,030,497	-
Other Sources:					
Miscellaneous Revenue				33,102	33,102
Refund from Prior Year				960	960
On-Behalf TPAF Pension Aid (Non-Budgeted)				201,705	201,705
Reimbursed TPAF Social Security Aid (Non-Budgeted)				95,957	95,957
On-Behalf TPAF Post-Retirement Medical Aid (Non-Budgeted)				91,493	91,493
On-Behalf TPAF Long-Term Disability Insurance Aid (Non-Budgeted)				884	884
Total Other Sources	-	-	-	424,101	424,101
Total Revenues	3,768,022	(196,386)	3,571,636	3,995,737	424,101
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,222,943	(169,928)	1,053,015	962,414	90,601
Other Salaries for Instruction	116,160	59,392	175,552	174,412	1,140
Purchased Prof/Tech Services	65,300	-	65,300	52,255	13,045
Other Purchased Services	46,000		46,000	43,442	2,558
General Supplies	45,000	10,000	55,000	50,788	4,212
Textbooks	45,000	(32,000)	13,000	10,982	2,018
Miscellaneous	28,500	54,928	83,428	83,428	-
Total Instruction	1,568,903	(77,608)	1,491,295	1,377,721	113,574
Administration:					
Salaries - General Administration	378,810	(9,600)	369,210	347,244	21,966
Salaries of Secretarial/Clerical Assistants	218,629	(1,809)	216,820	185,628	31,192
Total Benefits Cost	664,148	(37,392)	626,756	408,180	218,576
Purchases Prof/Tech Services	71,150	(10,000)	61,150	52,461	8,689
Other Purchased Services	77,860	(11,402)	66,458	52,836	13,622
Supplies and Materials	22,500		22,500	11,353	11,147
Miscellaneous Expenses	26,400	21,402	47,802	34,340	13,462
Total Administration	1,459,497	(48,801)	1,410,696	1,092,042	318,654

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued From Prior Page)					
Support Services:					
Salaries	\$ 52,116		\$ 52,116	\$ 49,167	\$ 2,949
Purchased Prof/Ed Services	10,000	(10,000)	-		-
Purchased Prof/Tech Services	8,500	(3,661)	4,839	4,000	839
Rental of Land and Buildings	443,000	(5,000)	438,000	433,484	4,516
Other Purchased Services	81,310	(9,323)	71,987	64,285	7,702
Transportation-Other Than To/From School	22,000		22,000	11,670	10,330
Insurance for Property, Liability and Fidelity	50,000	(3,000)	47,000	40,329	6,671
Supplies and Materials	22,000	-	22,000	12,722	9,278
Energy Costs (Heat and Electricity)	52,000	(7,000)	45,000	33,474	11,526
Miscellaneous Expenses	15,000	35,661	50,661	50,268	393
Total Support Services	755,926	(2,323)	753,603	699,399	54,204
On-Behalf TPAF Pension Contributions (Non-Budgeted)				201,705	(201,705)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				95,957	(95,957)
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)				91,493	(91,493)
On-Behalf TPAF Long-Term Disability Insurance Contributions (Non-Budgeted)				884	(884)
Total Expenditures	3,784,326	(128,732)	3,655,594	3,559,201	96,393
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,304)	(67,654)	(83,958)	436,536	520,494
FUND BALANCE, JULY 1	1,485,650	-	1,485,650	1,485,650	-
FUND BALANCE, JUNE 30	\$ 1,469,346	\$ (67,654)	\$ 1,401,692	\$ 1,922,186	\$ 520,494
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures: Budgeted Fund Balance	\$ 1,469,346	\$ (67,654)	\$ 1,401,692	\$ 1,922,186	\$ 520,494
Total	\$ 1,469,346	\$ (67,654)	\$ 1,401,692	\$ 1,922,186	\$ 520,494

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Federal	\$ 234,663	\$ -	\$ 234,663	\$ 234,663	\$ -
Total Revenues	<u>234,663</u>	<u>-</u>	<u>234,663</u>	<u>234,663</u>	<u>-</u>
EXPENDITURES:					
Instruction:					
Salaries	120,000		120,000	120,000	-
Purchased Prof/Tech Services	55,849		55,849	55,849	-
General Supplies	13,768		13,768	13,768	-
Total Instruction	<u>189,617</u>	<u>-</u>	<u>189,617</u>	<u>189,617</u>	<u>-</u>
Support Services:					
Salaries	7,846		7,846	7,846	-
Personal Services - Employee Benefits	37,200		37,200	37,200	-
Total Support Services	<u>45,046</u>	<u>-</u>	<u>45,046</u>	<u>45,046</u>	<u>-</u>
Total Expenditures	<u>234,663</u>	<u>-</u>	<u>234,663</u>	<u>234,663</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 Fiscal Year Ended June 30, 2019

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 3,995,737	[C-2] \$ 234,663
 Difference - Budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		-
 Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ 3,995,737	[B-2] \$ 234,663
 Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 3,559,201	[C-2] \$ 234,663
 Differences - Budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.		-
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 3,559,201	[B-2] \$ 234,663

REQUIRED SUPPLEMENTARY INFORMATION – PART III

**SECTION L – CHARTER SCHOOL’S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY FOR TPAF AND PERS AND CHARTER SCHOOL’S PERS
AND TPAF CONTRIBUTIONS**

The schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Required Supplementary Information Schedules
 Schedule of the Charter School's Proportionate Share of the Net Pension Liability
 Public Employees Retirement System
 Last Five Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,				
	2019	2018	2017	2016	2015
Charter School's proportion of the net pension liability	0.0049069199%	0.0043200878%	0.0044963577%	0.4387065800%	0.0018834633%
Charter School's proportionate share of the net pension liability	\$ 966,148	\$ 1,005,647	\$ 1,331,692	\$ 984,808	\$ 352,636
Charter School's covered employees payroll	\$ 320,068	\$ 711,230	\$ 343,629	\$ 340,551	\$ 298,036
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	301.86%	141.40%	387.54%	289.18%	118.32%
Plan fiduciary net position as a percentage of the total pension liability	53.60%	48.10%	40.14%	47.93%	52.08%

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Required Supplementary Information Schedules
 Schedule of the Charter School Contributions
 Public Employees Retirement System
 Last Five Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,				
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 48,808	\$ 40,021	\$ 39,945	\$ 37,717	\$ 15,527
Contributions in relation to the contractually required contribution	(49,741)	(40,021)	(39,945)	(37,717)	(15,527)
Contribution deficiency/(excess)	<u>\$ (933)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Charter School's covered employee payroll	\$ 320,068	\$ 711,230	\$ 343,629	\$ 340,551	\$ 298,036
Contributions as a percentage of covered employee payroll	15.25%	5.63%	11.62%	11.08%	5.21%

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Required Supplementary Information Schedules
 Schedule of the Charter School's Proportionate Share of the Net Pension Liability
 Teachers Pension and Annuity Fund
 Last Five Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,				
	2019	2018	2017	2016	2015
State's proportion of the net pension liability attributable of the Charter School	0.0130700811%	0.0112336816%	0.0100113784%	0.0106735282%	0.0093267556%
State's proportionate share of the net pension liability attributable to the Charter School	\$ 8,314,905	\$ 7,574,153	\$ 7,875,588	\$ 6,746,126	\$ 4,984,847
Charter School's covered employees payroll	\$ 1,317,172	\$ 1,373,691	\$ 1,066,300	\$ 1,135,015	\$ 1,132,432
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	631.27%	551.37%	738.59%	594.36%	440.19%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	22.33%	28.71%	33.64%

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Required Supplementary Information Schedules
 Schedule of the Charter School Contributions
 Teachers Pension and Annuity Fund
 Last Five Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,				
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 197,574	\$ 126,144	\$ 79,731	\$ 57,362	\$ 39,619
Contributions in relation to the contractually required contribution	(18,872)	(18,737)	(12,703)	(9,026)	(32,953)
Contribution deficiency/(excess)	\$ 178,702	\$ 107,407	\$ 67,028	\$ 48,336	\$ 6,666
Charter School's covered employee payroll	\$ 1,317,172	\$ 1,373,691	\$ 1,066,300	\$ 1,135,015	\$ 1,132,432
Contributions as a percentage of covered employee payroll	15.00%	9.18%	7.48%	5.05%	3.50%

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

**SECTION M – CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET
OPEB LIABILITY FOR TPAF AND PERS**

The schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Required Supplementary Information Schedules
 Schedule of Changes in the Charter School's Proportionate Share of Total OPEB Liability and Related Ratios
 Teachers Pension and Annuity Fund and Public Employees Retirement System
 Last Three Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,		
	2019	2018	2017
OPEB Liability at Beginning of Measurement Period	\$ 885,256	\$ 766,733	\$ -
Changes Recognized for the Fiscal Year:			
Service Cost	233,642	279,153	Not Available
Interest on Total OPEB Liability	39,804	29,528	Not Available
Effect on Changes of Benefit Terms	-	-	Not Available
Differences Between Expected and Actual Experience	(529,285)	-	Not Available
Effect on Changes of Assumptions	(63,327)	(170,409)	Not Available
Contributions from the Employees	510	755	Not Available
Gross Benefit Paid by the State	(14,756)	(20,504)	Not Available
Net Changes	<u>(333,412)</u>	<u>118,523</u>	<u>-</u>
OPEB Liability at the End of Measurement Period	<u>\$ 551,844</u>	<u>\$ 885,256</u>	<u>\$ 766,733</u>
Charter School's Proportionat Share of the Total OPEB Liability	0.0011967773%	0.0016503703%	0.0013257986%
Charter School's Covered Employees Payroll	\$ 1,637,240	\$ 2,084,921	\$ 1,409,929
Total Charter School's OPEB Liability as a Percentage of Covered Employee Payroll	33.71%	42.46%	54.38%
Charter School's Contributions	None	None	None

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

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to Required Supplementary Information
Public Employees Retirement System
For Fiscal Year Ended June 30, 2019

NET PENSION LIABILITY (SCHEDULES L-1 AND L-2)

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018.

NET OPEB LIABILITY (SCHEDULE M-1)

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to Required Supplementary Information
Teachers Pension and Annuity Fund
For Fiscal Year Ended June 30, 2019

NET PENSION LIABILITY (SCHEDULES L-3 AND L-4)

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018.

NET OPEB LIABILITY (SCHEDULE M-1)

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

OTHER SUPPLEMENTARY INFORMATION

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

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	ESSA Title I	I.D.E.A. Part B	ESSA Title II	Grand Total
REVENUE SOURCES:				
Federal	\$ 178,814	\$ 44,879	\$ 10,970	\$ 234,663
Total Revenues	<u>178,814</u>	<u>44,879</u>	<u>10,970</u>	<u>234,663</u>
EXPENDITURES:				
Instruction:				
Salaries	120,000			120,000
Purchased Prof/Tech Services		44,879	10,970	55,849
General Supplies	13,768			13,768
Total Instruction	<u>133,768</u>	<u>44,879</u>	<u>10,970</u>	<u>189,617</u>
Support Services:				
Salaries	7,846			7,846
Personal Services - Employee Benefits	37,200			37,200
Total Support Services	<u>45,046</u>	<u>-</u>	<u>-</u>	<u>45,046</u>
Total Expenditures	<u>178,814</u>	<u>44,879</u>	<u>10,970</u>	<u>234,663</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SECTION G – PROPRIETARY FUNDS
DETAIL STATEMENTS**

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

Food Services Fund – This fund provides for the operation of food services in all schools within the charter school.

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

**SECTION H – FIDUCIARY FUNDS
DETAIL STATEMENT**

Fiduciary Funds are used to account for funds received by the school for a specific purpose.

Unemployment Insurance Compensation Trust Fund – This expendable trust fund is used to account for deductions from employee’s salaries which are utilized to pay unemployment compensation claims as they arise.

Scholarship Funds – these are nonexpendable trust funds and limits expenses to the amounts earned on the trust principal.

Agency Funds are used to account for assets held by the charter school as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – this agency fund is used to account for payroll transactions of the charter school.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 As of June 30, 2019

	Agency				Total Agency Fund
	Trusts	Payroll Agency	Net Payroll	Student Activities	
ASSETS:					
Cash and Cash Equivalents	Unemployment Compensation Insurance				
	\$ -	\$ 3,256	\$ 10,407	\$ 14,241	\$ 27,904
Total Assets	\$ -	\$ 3,256	\$ 10,407	\$ 14,241	\$ 27,904
LIABILITIES:					
Interfund Accounts Payable Due to Student Groups					
		\$ 3,256	\$ 10,407	\$ -	\$ 13,663
Total Liabilities				\$ 14,241	\$ 14,241
NET POSITION:					
Held in Trust for Claims					
	\$ -	\$ 3,256	\$ 10,407	\$ 14,241	\$ 27,904
Total Net Position	\$ -				

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Trust Funds

For the Fiscal Year Ended June 30, 2019

	<u>Unemployment Compensation Insurance</u>
ADDITIONS:	
Employee Contributions	\$ 4,001
Board Contributions	<u>16,064</u>
Total Additions	<u>20,065</u>
DEDUCTIONS:	
Payment of Claims	<u>20,065</u>
Total Deductions	<u>20,065</u>
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF THE YEAR	<u>-</u>
NET POSITION - END OF THE YEAR	<u><u>\$ -</u></u>

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Fiduciary Funds

Student Activity Agency Fund

Schedule of Receipts and Disbursements

For the Fiscal Year Ended June 30, 2019

	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2019</u>
Student Groups	<u>\$ 11,255</u>	<u>\$ 27,556</u>	<u>\$ 24,570</u>	<u>\$ 14,241</u>
Total	<u><u>\$ 11,255</u></u>	<u><u>\$ 27,556</u></u>	<u><u>\$ 24,570</u></u>	<u><u>\$ 14,241</u></u>

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Fiduciary Funds
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
ASSETS:				
Cash and Cash Equivalents	\$ 3,678	\$ 762,774	\$ 763,196	\$ 3,256
Total Assets	<u>\$ 3,678</u>	<u>\$ 762,774</u>	<u>\$ 763,196</u>	<u>\$ 3,256</u>
LIABILITIES:				
Interfund Accounts Payable	\$ -	\$ 3,256	\$ -	\$ 3,256
Payroll Deductions and Withholdings	3,678	759,518	763,196	-
Total Liabilities	<u>\$ 3,678</u>	<u>\$ 762,774</u>	<u>\$ 763,196</u>	<u>\$ 3,256</u>

**STATISTICAL SECTION
(UNAUDITED)**

Barack Obama Green Charter High School has been in operation for nine (9) years. GASB requires that ten years of statistical data be presented. State law usually grants charters for less than ten years. Therefore, only statistical data for nine (9) years is available and has been presented. Each year thereafter, an additional year's data will be included until ten years.

Contents

Financial Trends

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

Revenue Capacity (Not Applicable To Charter School)

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The charter school implemented GASB Statement 34 in the fiscal year ending June 30, 2011; schedules presenting charter school-wide information include information beginning in that year.*

FINANCIAL TRENDS

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

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

	Fiscal Year Ending June 30,								
	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities									
Net Investment in Capital Assets									
Invested in capital assets, net of related debt	\$ -	\$ 138,604	\$ 153,228	\$ 167,853	\$ 17,977	\$ 24,358	\$ 6,525	\$ 8,700	\$ 4,149
Restricted	75,000	75,000	75,000	-	-	-	-	-	-
Unrestricted	928,659	569,363	473,862	944,908	1,142,309	922,677	811,674	659,841	306,747
Total Governmental Activities Net Assets/Position	\$ 1,003,659	\$ 782,967	\$ 702,090	\$ 1,112,761	\$ 1,160,286	\$ 947,035	\$ 818,199	\$ 668,541	\$ 310,896
Business-Type Activities									
Net Investment in Capital Assets									
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	5,892	3,304	33,091	16,850	13,297	-	3,571	3,571	368
Total Business-Type Activities Net Assets/Position	\$ 5,892	\$ 3,304	\$ 33,091	\$ 16,850	\$ 13,297	\$ -	\$ 3,571	\$ 3,571	\$ 368
Charter School-wide									
Net Investment in Capital Assets									
Invested in capital assets, net of related debt	\$ -	\$ 138,604	\$ 153,228	\$ 167,853	\$ 17,977	\$ 24,358	\$ 6,525	\$ 8,700	\$ 4,149
Restricted	75,000	75,000	75,000	-	-	-	-	-	-
Unrestricted	934,551	572,667	506,953	961,758	1,155,606	922,677	815,245	663,412	307,115
Total Charter School-wide Net Assets/Position	\$ 1,009,551	\$ 786,271	\$ 735,181	\$ 1,129,611	\$ 1,173,583	\$ 947,035	\$ 821,770	\$ 672,112	\$ 311,264

Source: Comprehensive Annual Financial Report

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

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

	Fiscal Year Ending June 30,								
	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses									
Governmental Activities:									
Instruction	\$ 2,095,280	\$ 2,108,993	\$ 1,709,632	\$ 2,514,717	\$ 2,097,071	\$ 1,664,155	\$ 1,272,456	\$ 1,171,797	\$ 723,353
Administration	1,232,686	1,824,154	1,556,110	780,950	624,364	642,568	959,449	576,667	352,034
Support Services	767,274	780,319	712,026	1,266,268	1,304,164	1,015,116	903,658	666,827	458,379
Capital Outlay	125,006	4,177	45,787	12,559	5,019	-	13,273	46,051	-
Unallocated Depreciation	13,598	14,624	14,625	6,381	6,381	3,200	2,176	6,323	2,075
Total Governmental Activities Expenses	4,233,844	4,732,267	4,038,180	4,580,875	4,036,999	3,325,039	3,151,012	2,467,665	1,535,841
Business-Type Activities:									
Food Service	94,286	123,809	90,935	89,506	87,353	103,364	77,503	59,132	42,485
Total Business-Type Activities Expenses	94,286	123,809	90,935	89,506	87,353	103,364	77,503	59,132	42,485
Total Charter School Expenses	\$ 4,328,130	\$ 4,856,076	\$ 4,129,115	\$ 4,670,381	\$ 4,124,352	\$ 3,428,403	\$ 3,228,515	\$ 2,526,797	\$ 1,578,326
Program Revenues									
Governmental Activities:									
Charges for Services	\$ 46,110	\$ 50,192	\$ 60,191	\$ 947,204	\$ 694,947	\$ 316,870	\$ 286,375	\$ 248,329	\$ 178,754
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-
Total Governmental Activities Revenues	46,110	50,192	60,191	947,204	694,947	316,870	286,375	248,329	178,754
Business-Type Activities:									
Charges for Services	-	363	1,643	3,394	3,843	6,049	4,956	1,991	-
Operating Grants and Contributions	84,146	93,658	105,533	89,665	96,807	87,717	68,178	42,070	27,853
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Revenues	84,146	94,021	107,176	93,059	100,650	93,766	73,134	44,061	27,853
Total Charter School Program Revenues	\$ 130,256	\$ 144,213	\$ 167,367	\$ 1,040,263	\$ 795,597	\$ 410,636	\$ 359,509	\$ 292,390	\$ 206,607
Net (Expense)/Revenue									
Governmental Activities	\$ (4,187,734)	\$ (4,682,075)	\$ (3,977,989)	\$ (3,633,671)	\$ (3,342,052)	\$ (3,008,169)	\$ (2,864,637)	\$ (2,219,336)	\$ (1,357,087)
Business-Type Activities	(10,140)	(29,788)	16,241	3,553	13,297	(9,598)	(4,369)	(15,071)	(14,632)
Total Charter School-wide Net Expense	\$ (4,197,874)	\$ (4,711,863)	\$ (3,961,748)	\$ (3,630,118)	\$ (3,328,755)	\$ (3,017,767)	\$ (2,869,006)	\$ (2,234,407)	\$ (1,371,719)
General Revenues and Other Changes in Net Assets/Position									
Governmental Activities:									
General Purposes	\$ 541,139	\$ 611,156	\$ 591,124	\$ 3,475,959	\$ 3,565,360	\$ 3,119,886	\$ 2,929,179	\$ 2,584,096	\$ 1,661,267
Federal and State Aid Not Restricted	3,833,225	4,031,155	3,607,806	-	-	-	-	-	-
Miscellaneous Income	34,062	120,641	25,165	13,526	7,394	23,146	87,056	3,494	1,716
Transfers	-	-	-	-	-	(6,027)	(1,941)	(10,610)	(15,000)
Total Governmental Activities	4,408,426	4,762,952	4,224,095	3,489,485	3,562,754	3,137,005	3,014,294	2,576,980	1,667,983
Business-Type Activities:									
Investment Earnings	1	1	-	-	-	-	-	-	-
Transfers and Miscellaneous Income	-	-	-	-	-	6,027	4,369	18,274	15,000
Total Business-Type Activities	1	1	-	-	-	6,027	4,369	18,274	15,000
Total Charter School-wide	\$ 4,408,427	\$ 4,762,953	\$ 4,224,095	\$ 3,489,485	\$ 3,562,754	\$ 3,143,032	\$ 3,018,663	\$ 2,595,254	\$ 1,682,983
Change in Net Assets/Position									
Governmental Activities	\$ 220,692	\$ 80,877	\$ 246,106	\$ (144,186)	\$ 220,702	\$ 128,836	\$ 149,657	\$ 357,644	\$ 310,896
Business-Type Activities	(10,139)	(29,787)	16,241	3,553	13,297	(3,571)	-	3,203	368
Total Charter School	\$ 210,553	\$ 51,090	\$ 262,347	\$ (140,633)	\$ 233,999	\$ 125,265	\$ 149,657	\$ 360,847	\$ 311,264

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Fund Balances - Governmental Funds

Last Nine Fiscal Years

(modified accrual basis of accounting)

Unaudited

	Fiscal Year Ending June 30,								
	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund									
Restricted	\$ 75,000	\$ 75,000	\$ 17,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	1,847,186	1,410,650	1,291,052	944,908	1,142,309	922,677	811,674	659,841	306,747
Total General Fund	\$ 1,922,186	\$ 1,485,650	\$ 1,308,897	\$ 944,908	\$ 1,142,309	\$ 922,677	\$ 811,674	\$ 659,841	\$ 306,747

Source: Comprehensive Annual Financial Report

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Changes in Fund Balances - Governmental Funds

Last Nine Fiscal Years

(modified accrual basis of accounting)

Unaudited

Fiscal Year Ending June 30,	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:									
Local Sources:									
Local Tax Levy	\$ 541,139	\$ 611,156	\$ 591,124	\$ 737,023	\$ 737,669	\$ 559,659	\$ 527,551	\$ 447,313	\$ 318,514
Miscellaneous	34,062	120,641	25,165	13,526	7,394	23,146	87,056	15,008	71,916
State Sources	3,420,536	3,561,111	3,281,997	3,114,094	3,152,992	2,749,858	2,496,655	2,185,155	1,362,753
Federal Sources	234,663	207,928	386,000	240,289	149,119	127,239	191,348	188,443	108,554
Total Revenues	4,230,400	4,500,836	4,284,286	4,104,932	4,047,174	3,459,902	3,302,610	2,835,919	1,861,737
Expenditures:									
Instruction	1,567,338	1,632,732	1,589,736	1,748,073	1,544,212	1,245,438	1,239,494	1,017,267	616,972
Administration	1,482,081	1,931,507	1,541,414	1,278,399	1,123,746	1,176,785	1,015,726	793,206	492,602
Support Services	744,445	755,667	743,360	1,066,234	1,141,683	920,649	880,343	604,817	424,192
Capital Outlay	-	4,177	45,787	168,816	5,019	-	13,273	56,925	6,224
Total Expenditures	3,793,864	4,324,083	3,920,297	4,261,522	3,814,660	3,342,872	3,148,836	2,472,215	1,539,990
Excess (Deficiency) of Revenues Over (Under) Expenditures	436,536	176,753	363,989	(156,590)	232,514	117,030	153,774	363,704	321,747
Other Financing Sources (Uses):									
Transfers Out	-	-	-	-	-	(6,027)	(1,941)	(10,610)	(15,000)
Total Other Financing Sources (Uses)	-	-	-	-	-	(6,027)	(1,941)	(10,610)	(15,000)
Net Change in Fund Balance	\$ 436,536	\$ 176,753	\$ 363,989	\$ (156,590)	\$ 232,514	\$ 111,003	\$ 151,833	\$ 353,094	\$ 306,747

Source: Comprehensive Annual Financial Report

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

General Fund - Other Local Revenue by Source

Last Nine Fiscal Years

(modified accrual basis of accounting)

Unaudited

Fiscal Year Ending June 30,	Prior Year Refunds	Miscellaneous Revenue	Annual Total
2019	\$ 960	\$ 33,102	\$ 34,062
2018	50,872	69,769	120,641
2017	-	25,165	25,165
2016	-	13,526	13,526
2015	-	7,394	7,394
2014	-	23,146	23,146
2013	-	87,056	87,056
2012	-	15,008	15,008
2011	-	71,916	71,916

Source: Charter School records

OPERATING INFORMATION

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Full-Time Equivalent Charter School Employees by Function
 Last Nine Fiscal Years

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction	25.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	13.0
Administrative	5.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	4.1
Support Services	5.0	6.0	2.0	2.0	2.0	2.0	2.0	2.0	3.7
Food Service	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Total	37.0	36.0	32.0	32.0	32.0	32.0	32.0	32.0	21.2

Source: Charter School Personnel Records

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Operating Statistics
 Last Nine Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily		Average Daily Attendance (ADA) ^c	Percent Change in Average Daily Enrollment	Student Attendance Percentage
							Enrollment (ADE) ^c	Enrollment			
2019	233.0	\$ 3,793,864	\$ 16,283	-9.92%	22.0	12:1	230.00	209.00	209.00	-2.17%	90.87%
2018	239.0	4,319,906	18,075	9.63%	20.0	12:1	235.00	219.00	219.00	0.72%	93.19%
2017	235.0	3,874,510	16,487	-17.75%	20.0	12:1	233.30	217.00	217.00	0.90%	93.01%
2016	233.0	4,670,381	20,045	10.32%	20.0	12:1	231.20	227.00	227.00	1.60%	98.18%
2015	227.0	4,124,352	18,169	6.33%	20.0	12:1	227.50	223.00	223.00	10.73%	98.02%
2014	201.0	3,434,430	17,087	-4.81%	20.0	12:1	203.10	199.00	199.00	9.40%	97.98%
2013	179.0	3,213,066	17,950	23.54%	16.0	11.8:1	184.00	180.00	180.00	13.86%	97.83%
2012	162.9	2,366,918	14,530	6.03%	14.0	11.6:1	158.50	155.00	155.00	42.84%	97.79%
2011	111.8	1,532,101	13,704	0.00%	11.2	11:1	90.60	89.00	89.00	0.00%	98.23%

Sources: Charter School records

Note: Enrollment based on annual October Charter School count.

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

School Building Information
Last Nine Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Charter School Building									
High School									
35 Watchung Avenue, Plainfield, NJ									
Square Feet	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
Capacity (students)	260	260	260	260	260	260	180	180	180
Enrollment	233	239	235	233	240	240	179	163	163

Number of Schools at June 30, 2019
High School = 1

Source: Charter School Facilities Office

Note: Increases in square footage and capacity are the result of additions.
Enrollment is based on the annual October Charter School count.

PREPARED FOR:
The Barack Obama Green Charter High School
35 Watchung Avenue
Plainfield, NJ 07062



777 Terrace Avenue
 Hasbrouck Heights, NJ 07604
 Maria Makos 201-727-1720 Ext 311
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Date Prepared Updated 10/21/18

COVERAGE	LIMITS	TERMS IN YEARS	EXPIRES	COMPANY	POLICY NUMBER	PREMIUM	COMMENTS
COMMERCIAL PACKAGE POLICY		1 YEAR	07/01/19	NEW JERSEY SCHOOLS INSURANCE GROUP	P986AJ	\$11,378.42	T.L.V. \$350,000 Contents Limit
PROPERTY							Per Occurrence
BLANKET BUILDING & CONTENTS(Per Fund)	\$ 500,000,000						PTO's & PTA's ind. As
BLANKET EXTRA EXPENSE	\$ 250,000						Additional Insured
BLANKET VALUABLE PAPERS & RECORDS	\$ 25,000						Per Occurrence
DEMOLITION & INCREASED COST OF CONST.	\$ 25,000,000						
FIRE DEPARTMENT SERVICE CHARGE	\$ 10,000						
ARSON REWARD	\$ 10,000						
POLLUTANT CLEAN-UP AND REMOVAL	\$ 250,000						
ACCOUNTS RECEIVABLE	\$ 250,000						
SUBLIMITS:FLOOD ZONES (SFHA)							
PER OCCURRENCE/ANNUAL AGGREGATE	\$ 25,000,000						
ALL OTHER FLOOD ZONES PER OCCURRENCE	\$ 75,000,000						
ANNUAL AGGREGATE	\$ 75,000,000						
EARTHQUAKE PER OCCURRENCE	\$ 50,000,000						
NJ/SIG ANNUAL AGGREGATE	\$ 50,000,000						
TERRORISM	\$ 1,000,000						
NJ/SIG ANNUAL AGGREGATE	\$ 1,000,000						
DEDUCTIBLES PER OCCURRENCE:							
REAL AND PERSONAL PROPERTY	\$ 1,000						
EXTRA EXPENSE	\$ 1,000						
VALUABLE PAPERS	\$ 1,000						

SCHEDULE OF YOUR CURRENT INSURANCE

PREPARED FOR:
The Barack Obama Green Charter High School
35 Watchung Avenue
Plainfield, NJ 07062

Date Prepared/Updated: 10/21/2018

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COVERAGE	LIMITS	TERMS IN YEARS	EXPIRES	COMPANY	POLICY NUMBER	PREMIUM	COMMENTS
FLOOD DEDUCTIBLES: ZONES A & V - PER BUILDING ZONES A & V - PER CONTENTS ALL OTHER FLOOD ZONES SUBJECT TO A MAXIMUM RETAINED	\$ 500,000 \$ 500,000 \$ 10,000	1 YEAR	07/01/19	NEW JERSEY SCHOOLS INSURANCE GROUP	P986AJ	Included in Package	Per member /Per Occurrence
ELECTRONIC DATA PROCESSING BLANKET HARDWARE/SOFTWARE BLANKET EXTRA EXPENSE COVERAGE EXTENSIONS: TRANSIT LOSS OF INCOME TERRORISM INCLUDED IN PROPERTY DEDUCTIBLE PER OCCURRENCE FLOOD FLOOD DEDUCTIBLES ZONES A&V PER BUILDING - PER CONTENTS ALL OTHER FLOOD ZONES COMPUTER VIRUS NJSIG ANNUAL AGGREGATE	\$ 100,000 INCLUDED \$ 25,000 \$ 10,000 \$ 1,000 \$ 1,000,000 \$ 500,000 \$ 10,000 \$ 250,000 \$ 10,000,000		07/01/19	NEW JERSEY SCHOOLS INSURANCE GROUP	P986AJ	Included in Package	
BOILER & MACHINERY COMBINED SINGLE LIMIT PER ACCIDENT FOR PROPERTY DAMAGE & EXTRA EXPENSE SUBLIMITS: PROPERTY DAMAGE OFF PREMISES PROPERTY DAMAGE BUSINESS INCOME EXTRA EXPENSE SERVICE INTERRUPTION CONTINGENT BUSINESS INCOME PERISHABLE GOODS DATA RESTORATION DEMOLITION ORDINANCE OR LAW	\$ 100,000,000 INCLUDED \$ 100,000 INCLUDED \$ 10,000,000 \$ 10,000,000 \$ 100,000 \$ 500,000 \$ 100,000 \$ 1,000,000 \$ 1,000,000		07/01/19	NEW JERSEY SCHOOLS INSURANCE GROUP	P986AJ	Included in Package	

IMPORTANT: This is only an outline of the insurance coverage arranged through this office. It does not include all terms, coverages, exclusions, limitations and conditions in the actual contract. You must read the policy for those details.

PREPARED FOR:
The Barack Obama Green Charter High School
35 Watchung Avenue
Plainfield, NJ 07062

Date Prepared Updated 10/21/2018

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COVERAGE	LIMITS	TERMS IN YEARS	EXPIRES	COMPANY	POLICY NUMBER	PREMIUM	COMMENTS
EXPEDITING EXPENSES	\$ 500,000	1 YEAR	07/01/19	NEW JERSEY SCHOOLS INSURANCE GROUP	P986AJ	Included in Package	Per Accident for Property Damage, 12 hours per Accident for Business Interruption/Extra Expense Interruption of Service Waiting Period 24 hours
HAZARDOUS SUBSTANCES	\$ 500,000						
NEWLY ACQUIRED LOCATIONS	\$ 250,000						
TERRORISM INCLUDED IN PROPERTY DEDUCTIBLES:	\$ 1,000						
CRIME							
PUBLIC OFFICIAL BONDS	\$ 500,000						
BOARD PRESIDENT	\$ 500,000						
BOARD SECRETARY	\$ 500,000						
COMPREHENSIVE GENERAL LIABILITY			07/01/19	NEW JERSEY SCHOOLS INSURANCE GROUP	P986AJ	Included in Package	SUBJECT OT \$1,000 DEDUCTIBLE SUBJECT OT \$1,000 DEDUCTIBLE
BODILY INJURY & PROPERTY DAMAGE	\$ 16,000,000						
BODILY INJURY PRODUCTS & COMPLETED OP	\$ 16,000,000						
SEXUAL ABUSE	\$ 16,000,000						
ANNUAL POOL AGGREGATE	\$ 17,000,000						
PERSONAL INJURY & ADVERTISING Injury	\$ 16,000,000						
EMPLOYEE BENEFITS LIABILITY	\$ 16,000,000						
EMPLOYEE BENEFITS LIABILITY DEDUCTIBLE	\$ 1,000						
PREMISES MEDICAL PAYMENTS EA ACC	\$ 10,000						
DEDUCTIBLE:	\$ 100						
LIMIT PER PERSON	\$ 5,000						
TERRORISM PER OCCURRENCE/ANNUAL	\$ 1,000,000						
NJSIG ANNUAL AGGREGATE							
AUTOMOBILE COVERAGE		1 YEAR	07/01/19	NEW JERSEY SCHOOLS INSURANCE GROUP	P989AJ	Included in Package	HIRED CAR PHYSICAL DAMAGE: \$110,000
SYMBOLS 8&9							
COMBINED SINGLE LIMIT FOR BODILY INJURY AND PROPERTY DAMAGE PER ACCIDENT	\$ 16,000,000						
HIRED AND NON-OWNED COVERAGE							
TERRORISM NJSBAIG ANNUAL AGGREGATE	\$ 1,000,000						

IMPORTANT: This is only an outline of the insurance coverage arranged through this office. It does not include all terms, coverages, exclusions, limitations and conditions in the actual contract. You must read the policy for those details.

PREPARED FOR:
The Barack Obama Green Charter High School
35 Watchung Avenue
Plainfield, NJ 07062

Date Prepared Updated 10/21/2018

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COVERAGE	LIMITS	TERMS IN YEARS	EXPIRES	COMPANY	POLICY NUMBER	PREMIUM	COMMENTS
SCHOOL LEADERS ERRORS & OMISSIONS							
COVERAGE A LIMIT	\$ 16,000,000	1 YEAR	7/1/2019	NEW JERSEY SCHOOLS INSURANCE GROUP	E986AJ	\$ 7,458.22	
DEDUCTIBLE EACH CLAIM	\$ 10,000						
COVERAGE B LIMIT EACH CLAIM	\$ 100,000						
EACH POLICY PERIOD	\$ 300,000						
DEDUCTIBLE EACH CLAIM	10,000						
Retro Date Coverage A	7/1/1986						
Retro Date Coverage B	7/1/1986						
WORKERS COMPENSATION							
ESTIMATED PROFESSIONAL & CELRICAL PAYROLL	\$ 1,882,089	1 YEAR	07/01/19	NEW JERSEY SCHOOLS INSURANCE GROUP	W886AJ	\$ 20,888.52	EXPERIENCE MODIFIER 0.8244 NJSIG DISCOUNT 0.6240
ESTIMATED NON PROFESSIONAL	\$ 86,569						
PART I WC	STATUTORY						
PART II EMPLOYERS LIABILITY EA ACCIDENT	\$ 2,000,000						
BODILY INJURY BY DISEASE	\$ 2,000,000						
BODILY INJURY BY DISEASE AGGREGATE	\$ 2,000,000						
CYBER LIABILITY							
PER INCIDENT/EVENT	\$ 1,000,000	1 YEAR	7/1/2019	Beazeley Insurance Co	VC5DC180501	Included in Package	
POLICY AGGREGATE LIMIT OF LIABILITY	\$10,000,000						
DEDUCTIBLES	Varies						
ENVIRONMENTAL IMPAIRMENT LIAB.							
SITE SPECIFIC		1 YEAR	07/01/19	IRONSHORE INSURANCE COMPANY	357640	Included in Package	
CLAIMS MADE FORM							
EACH INCIDENT LIMIT	\$ 1,000,000						
AGGREGATE PER NAMED INSURED	\$ 2,000,000						
DEDUCTIBLE	\$ 50,000						
CRISIS MANAGEMENT							
EACH SCHOOL VIOLENT ACT	\$1,000,000	1 YEAR	7/1/2018	AIG/National Union Fire Insurance	27-726-001	Included in Pkg	
SUBJECT TO VARIOUS SUBLIMITS IN THE POLICY							

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Charter School Performance Framework Financial Indicators
 Fiscal Ratios
 Last Three Fiscal Years

	2017	2018	2019	Source
	Audit	Audit	Audit	
Cash	1,104,610	1,466,790	1,917,480	Audit: Exhibit A-1
Current Assets (includes CASH)	1,457,384	1,594,694	2,066,041	Audit: Exhibit A-1
Total Assets	2,293,251	2,209,593	2,066,041	Audit: Exhibit A-1
Current Liabilities	115,396	105,740	187,704	Audit: Exhibit A-1
Total Liabilities	226,378	417,675	1,153,852	Audit: Exhibit A-1
Net Assets	735,181	786,271	1,009,551	Audit: Exhibit A-1
Total Revenue	4,391,462	4,907,166	4,551,410	Audit: Exhibit A-2
Total Expenses	4,129,115	4,866,076	4,328,130	Audit: Exhibit A-2
Change in Net Assets	262,347	51,090	223,280	Audit: Exhibit A-2
Depreciation Expense	14,625	14,624	13,598	Financial Statements/Audit Workpapers
Interest Expense	-	-	-	Financial Statements/Audit Workpapers
Principal Payments	-	-	-	Financial Statements/Audit Workpapers
Interest Payments	-	-	-	Financial Statements/Audit Workpapers
Final Average Daily Enrollment	233.30	235.00	230.00	DOE Enrollment Reports
March, 30th Budgeted Enrollment	240	240	240	Charter School Budget

RATIOS ANALYSIS...					Changes
Near Term Indicators	2017	2018	2019	3 YR CUM	Target
1a. Current Ratio	12.63	15.08	11.01	Source: Current Assets/Current Liabilities	> 1.1
1b. Unrestricted Days Cash	97.64	110.25	161.70	Cash/(Total Expenses/365)	30-60
1c. Enrollment Variance	97%	98%	96%	Average Daily Enrollment/Budgeted Enrollment	>95%
1d.* Default	N/A	N/A	N/A	Audit	not in default
Sustainability Indicators					
2a. Total Margin	6%	1%	5%	Change in Net Assets/Total Revenue	positive
2b. Debt to Asset	0.10	0.19	0.56	Total Liabilities/Total Assets	<.9
2c.** Cash Flow	273,961	362,180	450,690	Net change in cash flow from prior years	3 yr cum positive
2d. Debt Service Coverage Ratio	N/A	N/A	N/A	(Change in Net Assets+Depreciation+Interest Expense)/(Principal & Interest Payments)	>1.10

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

** 2019 = 2019 Cash - 2018 Cash; 2018 = 2018 Cash - 2017 Cash; 2017 = 2017 Cash - 2016 Cash

Refer questions to charterfinance@doe.state.nj.us

SINGLE AUDIT SECTION

BARRE & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
2204 Morris Avenue, Suite 206
Union, New Jersey 07083
908-686-3484
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR’S REPORT

The Honorable President and
Members of the Board of Trustees
Barack Obama Green Charter High School
County of Union
Plainfield, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Barack Obama Green Charter High School (Charter School), in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Charter School’s basic financial statements and have issued our report thereon dated December 20, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

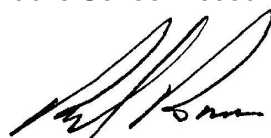
As part of obtaining reasonable assurance about whether the Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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



BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountant



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

Union, New Jersey
December 20, 2019

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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW JERSEY
CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR’S REPORT

Honorable President and
Members of the Board of Trustees
Barack Obama Green Charter High School
County of Union
Plainfield, New Jersey

Report on Compliance for Each Major State Program

We have audited the compliance of the Barack Obama Green Charter High School (Charter School), in the County of Union, State of New Jersey, with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Charter School’s major state programs for the year ended June 30, 2019. 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

The Charter School’s management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Charter School’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Charter School’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Barack Obama Green Charter High School, in the County of Union, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

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



BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants



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

Union, New Jersey
December 20, 2019

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2019

Federal CFDA Program Title	Federal CFDA Number	FAIN	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2018	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2019	Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
Every Student Succeeds Act Cluster:														
	84.010	S010A180030	ESSA - 6033 - 19	\$ 178,814	7/1/18 6/30/19	\$ -	\$ -	\$ 178,814	\$ (178,814)	\$ -	\$ -	\$ -	\$ -	\$ -
	84.367A	S367A180029	ESSA - 6033 - 19	10,970	7/1/18 6/30/19	-	-	178,814	(10,970)	-	-	(10,970)	\$ -	-
			Total Every Student Succeeds Act Cluster						(189,784)			(10,970)		
Individuals with Disabilities Cluster:														
	84.027	H027A180100	IDEA - 6033 - 19	44,879	7/1/18 6/30/19	-	-	44,879	(44,879)	-	-	-	-	-
			Total Individuals with Disabilities Cluster					44,879	(44,879)			-		
			Total Special Revenue Fund					223,693	(234,663)			(10,970)		
U.S. Department of Agriculture														
Passed-through State Department of Agriculture														
Enterprise Fund:														
School Breakfast Program Cluster:														
	10.553	191N1304N1099	N/A	19,276	7/1/18 6/30/19	-	-	18,186	(19,276)	-	-	(1,090)		
	10.553	181N1304N1099	N/A	19,931	7/1/17 6/30/18	(668)	-	568	-	-	-	-		
	10.555	191N1304N1099	N/A	63,565	7/1/18 6/30/19	-	-	59,666	(63,565)	-	-	(3,899)		
	10.555	181N1304N1099	N/A	72,210	7/1/17 6/30/18	(4,080)	-	4,080	-	-	-	-		
			Total Enterprise Fund			(4,648)	-	82,500	(82,841)			(4,989)		
			Sub-Total Federal Financial Awards			(4,648)	-	306,193	(317,504)			(15,959)	\$ -	\$ -

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2019

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2018			Balance at June 30, 2019			MEMO					
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Year's Balance		(Accounts Receivable)	Deferred Revenue/Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education																
General Fund:																
State Parks Charter:																
19-485-034-5120-078	19-485-034-5120-078	\$ 2,124,641	7/1/18	6/30/19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19-485-034-5120-078	19-485-034-5120-078	2,549,902	7/1/17	6/30/18	(6,706)	-	(6,706)	-	-	-	-	-	-	-	-	-
19-485-034-5120-089	19-485-034-5120-089	46,110	7/1/18	6/30/19	-	-	-	-	-	-	-	-	-	-	-	-
19-485-034-5120-084	19-485-034-5120-084	101,106	7/1/18	6/30/19	-	-	-	-	-	-	-	-	-	-	-	-
19-485-034-5120-085	19-485-034-5120-085	758,640	7/1/18	6/30/19	(6,706)	-	(6,706)	-	-	-	-	-	-	-	-	-
Adjustment Aid																
Total State Aid-Public Cluster																
Other General Funds:																
19-485-034-5094-001	19-485-034-5094-001	91,493	7/1/18	6/30/19	-	-	-	-	-	-	-	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical Contributions																
19-485-034-5094-002	19-485-034-5094-002	201,765	7/1/18	6/30/19	-	-	-	-	-	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contributions																
19-485-034-5094-003	19-485-034-5094-003	95,957	7/1/17	6/30/18	(9,661)	-	(9,661)	-	-	-	-	-	-	-	-	-
Reimbursed TPAF - Social Security																
19-485-034-5094-004	19-485-034-5094-004	101,920	7/1/17	6/30/18	(9,661)	-	(9,661)	-	-	-	-	-	-	-	-	-
On-Behalf TPAF Non-Contributory Insurance																
19-485-034-5094-004	19-485-034-5094-004	884	7/1/18	6/30/19	(9,661)	-	(9,661)	-	-	-	-	-	-	-	-	-
Total Other General Funds																
Total General Fund																
State Department of Agriculture																
Enterprise Fund:																
19-100-010-3350-023	19-100-010-3350-023	1,305	7/1/16	6/30/19	(86)	-	(86)	-	-	-	-	-	-	-	-	-
National School Lunch Program (State Share)																
19-100-010-3350-023	19-100-010-3350-023	1,317	7/1/17	6/30/18	(86)	-	(86)	-	-	-	-	-	-	-	-	-
National School Lunch Program (State Share)																
Total Enterprise Fund																
Total State Financial Assistance																
State Financial Assistance Not Subject to Major Program Determination:																
General Fund:																
19-485-034-5094-001	19-485-034-5094-001	91,493	7/1/18	6/30/19	-	-	-	(91,493)	-	-	-	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical Contributions																
19-485-034-5094-002	19-485-034-5094-002	201,765	7/1/18	6/30/19	-	-	-	(201,765)	-	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contributions																
19-485-034-5094-004	19-485-034-5094-004	884	7/1/18	6/30/19	-	-	-	(884)	-	-	-	-	-	-	-	-
On-Behalf TPAF Non-Contributory Insurance																
Total On-Behalf TPAF Pension System Contributions																
Total State Financial Assistance Subject to Major Program Determination																

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to Schedules of Expenditures of Awards and Financial Assistance
June 30, 2019

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements. This does not apply to charter schools as districts are not permitted to defer the June payments to charter schools.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to Schedules of Expenditures of Awards and Financial Assistance
June 30, 2019

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

	Federal	State	Total
General Fund	\$ -	\$ 3,420,536	\$ 3,420,536
Special Revenue Fund	234,663		234,663
Food Service Fund	82,841	1,305	84,146
Total Awards & Financial Assistance	<u>\$ 317,504</u>	<u>\$ 3,421,841</u>	<u>\$ 3,739,345</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

Barack Obama Green Charter High School has no loan balances outstanding at June 30, 2019.

NOTE 6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amounts reported as TPAF Pension Contributions, TPAF Post-Retirement Medical Contributions, and TPAF Long-Term Disability Insurance Contributions represent the amount paid by the State on behalf of the Charter School for the year ended June 30, 2019. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2019.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to Schedules of Expenditures of Awards and Financial Assistance
June 30, 2019

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

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

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in the Uniform Guidance; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the Charter School.

Program	Total
Title I, Part A: <i>Grants to Local Education Agencies</i>	\$ 178,814
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	10,970
Total	\$ 189,784

NOTE 9. INDIRECT COSTS

The Charter School did not elect to use the 10% de minimis indirect cost rate as allowed by the Uniform Guidance.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2019

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards – N/A

State Awards

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

GMIS Number(s)	Name of State Program
_____	_____
19-495-034-5120-078	State Aid-Public Cluster:
19-495-034-5120-089	Equalization Aid-State Share-Charter School Aid
19-495-034-5120-084	Special Education Categorical Aid
19-495-034-5120-085	Security Aid
_____	Adjustment Aid
_____	_____

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section II –Financial Statement Findings – N/A

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 for which *Government Auditing Standards* requires reporting in the Uniform Guidance audit.

Finding

There were no matters reported.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

***Section III –Federal and State Financial Assistance
Findings and Questioned Costs – N/A***

This section identifies audit findings required to be reported by Title 2 CFR 200 Section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJ OMB Circular Letter 15-08, as applicable.

FEDERAL AWARDS – N/A

Findings

There were no matters reported.

STATE AWARDS

Findings

There were no matters reported.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Summary Schedule of Prior Year Audit Findings
And Questioned Costs As Prepared by Management
For the Fiscal Year Ended June 30, 2019

STATUS OF PRIOR-YEAR FINDINGS – N/A

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*, *USOMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (511 (a)(b)) and NJ Circular 04-04-OMB and/or 15-08-OMB, as applicable.

Findings

There were no matters reported.