

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

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2020

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, 2020***

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
BARACK OBAMA GREEN CHARTER HIGH SCHOOL
PLAINFIELD, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Prepared By

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

And

Barre & Company LLC, CPA's

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INTRODUCTORY SECTION



Barack Obama Green Charter High School
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Telephone: (908) 251-6467
Website: <http://www.obamagreencharter.org/>

January 18, 2021

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, 2020, 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 six-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, as amended. All funds 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 2019-2020 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 2019-2020 school year with an enrollment of 232 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>
2019-2020	232.00	0.86%
2018-2019	230.00	-2.17%
2017-2018	235.00	0.72%
2016-2017	233.30	0.90%
2015-2016	231.20	1.60%

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., ESSA 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. 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 assignments of fund balance at June 30, 2020.

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 LLC, 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,

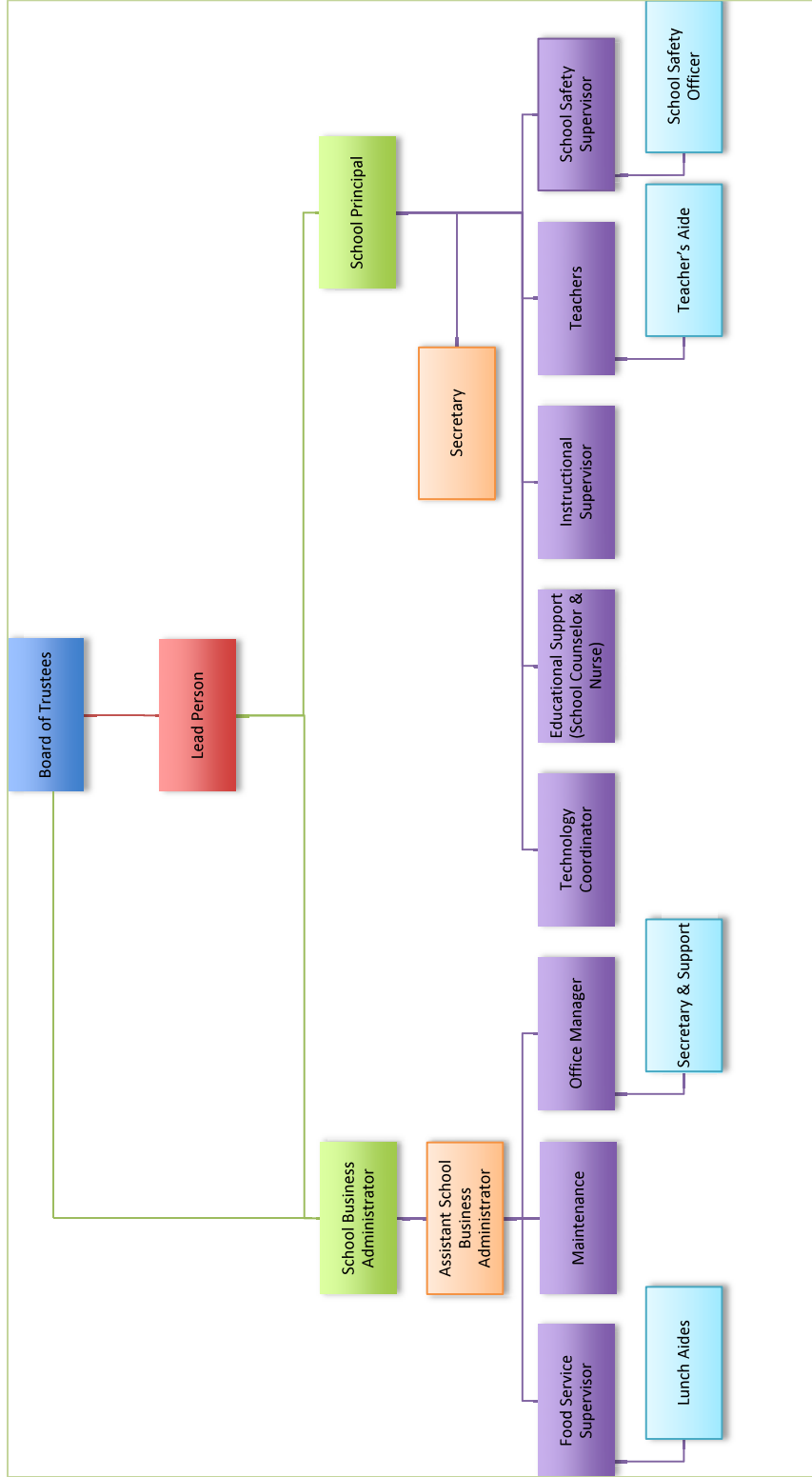


Erin Murphy Richardson
Head of School/Principal



Joan Orimaco
School Business Administrator

BOGCHS Organizational Structure



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

**ROSTER OF OFFICIALS
JUNE 30, 2020**

MEMBERS OF THE BOARD OF TRUSTEES

Gregory Hambric	-	President
Thais Jimenez	-	Vice President
Nicholl Rogers	-	Member
Tiffany Thompson	-	Member
John Miller	-	Member
Tania Khalfani	-	Member

OTHER OFFICIALS

Erin Murphy Richardson	Head of School/Principal
Joan Orimaco	School Business Administrator

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

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Certified Public Accountants
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Union, New Jersey 07083

Attorney

Johnson Law Firm
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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, 2020, 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, 2020, and the respective changes in the financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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* and the Office of School Finance, Department of Education, State of New Jersey

In accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey, we have also issued our report dated January 18, 2021 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
January 18, 2021

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, 2020
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, 2020. 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 2020 are as follows:

- ❖ Total net position of the governmental activities and business-type activities is \$1,235,792 at June 30, 2020. 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 \$4,453,526 of total revenues or 93% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$341,085 or 7% percent of total revenues of \$4,794,611.
- ❖ The Charter School had \$4,568,370 in expenses; only \$341,085 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$4,453,526 were not adequate to provide for these programs.
- ❖ Among major funds, the General Fund had \$4,241,779 in revenues and \$3,866,692 in expenditures. The General Fund's fund balance increased \$375,087 over 2019. 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.

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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED
(CONTINUED)**

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.

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.

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

Governmental Funds (Continued)

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 88 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

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.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2020
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(CONTINUED)**

The Charter School as a Whole (Continued)

The following table provides a summary of net position relating to the Charter School's governmental and business-type activities as of June 30, 2020 and 2019:

**Table 1
Net Position**

	2020	2019
Assets		
Current and Other Assets	\$ 2,397,410	\$ 2,063,718
Capital Assets	-	-
Total Assets	<u>2,397,410</u>	<u>2,063,718</u>
Deferred Outflows of Resources		
Related to Pensions	<u>813,888</u>	<u>491,154</u>
Liabilities		
Account and Other Payables	149,216	185,381
Long-Term Liabilities	<u>1,312,598</u>	<u>966,148</u>
Total Liabilities	<u>1,461,814</u>	<u>1,151,529</u>
Deferred Inflows of Resources		
Related to Pensions	<u>513,692</u>	<u>393,792</u>
Net Position		
Net Investment in Capital Assets	-	-
Restricted	75,014	75,000
Unrestricted	<u>1,160,778</u>	<u>934,551</u>
Total Net Position	<u>\$ 1,235,792</u>	<u>\$ 1,009,551</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.

The net pension liability recorded as of June 30, 2020 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*

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

The Charter School as a Whole (Continued)

Contributions Made Subsequent to the Measurement Date — an amendment of GASB Statement No. 68. The increase of \$346,450 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.

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 \$75,014 at June 30, 2020. 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, 2020 and 2019 are as follows:

**Table 2
Changes in Net Position**

	2020	2019
Revenues		
Program Revenues:		
Charges for Services	\$ -	\$ -
Operating Grants and Contributions	341,085	130,256
General Revenues:		
General Purposes	583,544	541,139
Grants and Entitlements	3,863,631	3,833,225
Other	<u>6,351</u>	<u>46,790</u>
Total Revenues	<u>4,794,611</u>	<u>4,551,410</u>
Program Expenses		
Instruction	2,287,263	2,095,280
Administration	1,423,841	1,232,686
Support Services	766,236	767,274
Capital Outlay	-	125,006
Unallocated Depreciation	-	13,598
Food Service	<u>91,030</u>	<u>94,286</u>
Total Program Expenses	<u>4,568,370</u>	<u>4,328,130</u>
Changes in Net Position	<u>\$ 226,241</u>	<u>\$ 223,280</u>

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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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 \$4,686,641 for the year ended June 30, 2020 and \$4,454,536 for 2019. Federal, state, and local grants and state aid accounted for 87% for 2020 and 87% for 2019 of revenues which includes \$475,284 for 2020 and \$390,039 for 2019 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 \$4,241,724 for 2020 and \$4,187,734 for 2019. Instruction comprises 54% for 2020 and 50% for 2019 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 \$16,940 for 2020 and expenses exceeded revenues by \$2,588 for 2019.
- ❖ There were no charges for services for 2020 and 2019. This represents amounts paid by patrons for daily food.

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

Business-Type Activities (Continued)

❖ Federal and state reimbursements for meals, including payments for free and reduced breakfast and lunches were \$105,469 for 2020 and \$84,146 for 2019.

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 \$4,473,297 for 2020 and \$4,230,400 for 2019 and expenditures were \$4,098,210 for 2020 and \$3,793,864 for 2019. The net change in fund balance was most significant in the general fund, an increase of \$375,087 in 2020 and an increase of \$436,536 in 2019.

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, 2020.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2019	Percent of Increase/ (Decrease)
Local Sources	\$ 587,394	13.13%	\$ 12,193	2.12%
State Sources	3,654,385	81.69%	233,849	6.84%
Federal Sources	231,518	5.18%	(3,145)	-1.34%
Total	\$ 4,473,297	100.00%	\$ 242,897	

State 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, 2020.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2019	Percent of Increase/ (Decrease)
Instruction	\$ 1,679,043	40.97%	\$ 111,705	7.13%
Administration	1,673,496	40.83%	191,415	12.92%
Support Services	745,671	18.20%	1,226	0.16%
Total	\$ 4,098,210	100.00%	\$ 304,346	

Changes in expenditures were the result of varying factors.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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(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, 2020 and at June 30, 2019 invested in furniture, machinery and equipment for governmental activities. The table shows the balances of capital assets (net of depreciation) for fiscal years 2020 and 2019.

	2020				2019
	Beginning Balance	Additions	Retirements	Ending Balance	
Governmental Activities:					
<i>Capital Assets Being Depreciated:</i>					
Furniture, Machinery and Equipment	\$ 38,131	\$ -	\$ -	\$ 38,131	38,131
Totals Capital Assets Being Depreciated	38,131	-	-	38,131	38,131
<i>Less Accumulated Depreciation:</i>					
Furniture, Machinery and Equipment	38,131	-	-	38,131	38,131
Total Accumulated Depreciation	38,131	-	-	38,131	38,131
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	-	-	-	-	-
Government Activity Capital Assets, Net	\$ -	\$ -	\$ -	\$ -	\$ -

Debt Administration

The Charter School's net pension liability as of June 30, 2020 and 2019 was \$1,312,598 and \$966,148, respectively.

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

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PLAINFIELD, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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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, 2020.

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, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents:			
Unrestricted	\$ 2,039,508	\$ 12,647	\$ 2,052,155
Restricted	75,014		75,014
Internal Balances	(2,746)	2,746	-
Receivables	202,802	7,439	210,241
Other Assets	60,000		60,000
	<u>2,374,578</u>	<u>22,832</u>	<u>2,397,410</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	<u>813,888</u>		<u>813,888</u>
Deferred Outflows of Resources	<u>813,888</u>	<u>-</u>	<u>813,888</u>
LIABILITIES:			
Payable to Federal Government	31,058		31,058
Payable to District	33,795		33,795
Accounts Payable	84,363		84,363
Noncurrent Liabilities:			
Due Beyond One Year:			
Net Pension Liability	<u>1,312,598</u>		<u>1,312,598</u>
Total Liabilities	<u>1,461,814</u>	<u>-</u>	<u>1,461,814</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	<u>513,692</u>		<u>513,692</u>
Deferred Inflows of Resources	<u>513,692</u>	<u>-</u>	<u>513,692</u>
NET POSITION:			
Restricted for:			
General Fund	75,014		75,014
Unassigned	<u>1,137,946</u>	<u>22,832</u>	<u>1,160,778</u>
Total Net Position	<u>\$ 1,212,960</u>	<u>\$ 22,832</u>	<u>\$ 1,235,792</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, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes In Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
Instruction	\$ 2,287,263	\$ -	\$ 128,439	\$ -	\$ (2,158,824)	\$ -	\$ (2,158,824)
Administration	1,423,841	-	107,177	-	(1,316,664)	-	(1,316,664)
Support Services	766,236	-	-	-	(766,236)	-	(766,236)
Total Governmental Activities	4,477,340	-	235,616	-	(4,241,724)	-	(4,241,724)
BUSINESS-TYPE ACTIVITIES:							
Food Service	91,030	-	105,469	-	-	14,439	14,439
Total Business-Type Activities	91,030	-	105,469	-	-	14,439	14,439
Total Primary Government	\$ 4,568,370	\$ -	\$ 341,085	\$ -	\$ (4,241,724)	\$ 14,439	\$ (4,227,285)
GENERAL REVENUES							
General Purposes					\$ 583,544	\$ -	\$ 583,544
Federal and State Aid Not Restricted					3,863,631	1	3,863,631
Investment Earnings					3,850	2,500	6,350
Miscellaneous Income					4,451,025	2,501	4,453,526
Total General Revenues					209,301	16,940	226,241
Change in Net Position					1,003,659	5,892	1,009,551
Net Position - Beginning							
Net Position - Ending					\$ 1,212,960	\$ 22,832	\$ 1,235,792

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, 2020

	General Fund	Special Revenue Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS:			
Cash and Cash Equivalents:			
Unrestricted	\$ 2,039,508	\$ -	\$ 2,039,508
Restricted	75,014		75,014
Receivables:			
Interfund Receivables	141,701		141,701
Receivables From Other Governments	52,173	134,522	186,695
Other Assets	60,000		60,000
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,374,578</u>	<u>\$ 134,522</u>	<u>\$ 2,509,100</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Interfund Payables	\$ -	\$ 134,522	\$ 134,522
Payable to Federal Government	31,058		31,058
Payable to District	33,795		33,795
Accounts Payable	12,452		12,452
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>77,305</u>	<u>134,522</u>	<u>211,827</u>
Fund Balances:			
Restricted			
Capital Reserve Account	75,014		75,014
Unassigned:			
General Fund	2,222,259		2,222,259
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>2,297,273</u>	<u>-</u>	<u>2,297,273</u>
Total Liabilities and Fund Balances	<u>\$ 2,374,578</u>	<u>\$ 134,522</u>	

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

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

(1,312,598)

Accrued pension contributions for the June 30, 2020 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.

(71,911)

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

813,888

Deferred inflows related to pensions

(513,692)

Net Position of Governmental Activities

\$ 1,212,960

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, 2020

	General Fund	Special Revenue Fund	Total
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 583,544	\$ -	\$ 583,544
Miscellaneous	3,850		3,850
Total Local Sources	587,394	-	587,394
State Sources	3,654,385		3,654,385
Federal Sources		231,518	231,518
Total Revenues	4,241,779	231,518	4,473,297
EXPENDITURES:			
Current:			
Instruction	1,509,470	169,573	1,679,043
Administration	1,673,496		1,673,496
Support Services	683,726	61,945	745,671
Total Expenditures	3,866,692	231,518	4,098,210
NET CHANGE IN FUND BALANCES	375,087	-	375,087
FUND BALANCES, JULY 1	1,922,186	-	1,922,186
FUND BALANCES, JUNE 30	\$ 2,297,273	\$ -	\$ 2,297,273

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, 2020

Total net change in fund balances - governmental fund (from B-2)	\$ 375,087
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
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.	<u>(165,786)</u>
Change in net position of governmental activities	<u>\$ 209,301</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, 2020

		Business-Type Activities Enterprise Fund
		<u>Food Service Programs</u>
		<u>School Nutrition</u>
ASSETS:		
Cash and Cash Equivalents	\$	12,647
Due From Other Funds		2,746
Intergovernmental Accounts Receivable:		
Federal		7,368
State		71
		<hr/>
Total Assets	\$	<u>22,832</u>
LIABILITIES AND NET POSITION:		
Liabilities	\$	-
Net Position:		
Unassigned		22,832
		<hr/>
Total Net Position		<u>22,832</u>
		<hr/>
Total Liabilities and Net Position	\$	<u>22,832</u>

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, 2020

	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	89,769
Cost of Sales - Non-Program (Non-Reimbursable Program) Meals	-
Miscellaneous Expenses	1,261
	1,261
Total Operating Expenses	91,030
OPERATING LOSS	(91,030)
NONOPERATING REVENUES:	
State Source:	
State School Lunch Program	1,247
Federal Source:	
National School Breakfast and Lunch Programs	104,222
Interest Earned	1
	105,470
Total Nonoperating Revenues	105,470
CHANGE IN NET ASSETS BEFORE OTHER FINANCING SOURCES	14,440
OTHER FINANCING SOURCES:	
Transfers In	2,500
	2,500
Total Other Financing Sources	2,500
CHANGE IN NET POSITION	16,940
TOTAL NET POSITION, JULY 1	5,892
TOTAL NET POSITION, JUNE 30	\$ 22,832

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, 2020

	Business-Type Activities
	Enterprise Fund
	Food Service Programs
	School Nutrition
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ (5,116)
Cash Payments to Suppliers and Employees	(93,353)
	(98,469)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash Received From State And Federal Reimbursements	105,469
Transfers In	2,500
	107,969
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on Deposits and Investments	1
	1
Net Increase In Cash And Cash Equivalents	9,501
Cash And Cash Equivalents, Beginning Of Year	3,146
Cash And Cash Equivalents, End Of Year	\$ 12,647
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:	
Operating Loss Used In Operating Activities	\$ (91,030)
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities:	
Change In Assets And Liabilities:	
Decrease In Due From Other Funds	(2,746)
Increase In Receivables From Other Governments	(2,370)
Increase In Interfund Payable	(2,323)
	(98,469)
Net Cash Used For Operating Activities	\$ (98,469)

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, 2020

	Trusts	
	Unemployment Compensation Insurance	Agency Funds
ASSETS:		
Cash and Cash Equivalents	\$ 834	\$ 24,249
Total Assets	834	\$ 24,249
LIABILITIES:		
Interfund Accounts Payable		\$ 9,925
Due to Student Groups		14,324
Total Liabilities	-	\$ 24,249
NET POSITION:		
Held in Trust for Claims	834	
Total Liabilities and Net Position	\$ 834	

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, 2020

	Trusts
	Unemployment Compensation Insurance
ADDITIONS:	
Employee Contributions	\$ 4,578
Board Contributions	-
	-
Total Additions	4,578
DEDUCTIONS:	
Payment of Claims	3,744
	3,744
Total Deductions	3,744
CHANGE IN NET POSITION	834
NET POSITION - BEGINNING OF THE YEAR	-
NET POSITION - END OF THE YEAR	\$ 834

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, 2020

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 maintain 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 amended, as codified in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. Under GASB Statement No. 14, as amended, 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, 2020

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.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district 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, 2020, 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, 2020, 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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

Enterprise Funds (Continued)

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 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.

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.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

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.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

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, 2020

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.

A. 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)	\$ 231,518
Adjustments:	
Less Encumbrances at June 30, 2020	-
Plus Encumbrances at June 30, 2019	-
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 231,518</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, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. 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 acquisition 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, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets (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.

2. Fund Equity

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

3. 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.

4. Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2020. The Charter School had no prepaid expenses for the fiscal year ended June 30, 2020.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (non-allocation method). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the Charter School is eligible to realize the revenue.

6. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the Charter School-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

7. Revenues — Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Charter School, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the Charter School receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Charter School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance and interest.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Revenues from District of Residence, Region of Residence and Non-Resident Districts

The Charter School's primary source of revenue is from the district of residence, region of residence or non-resident districts from which its students are enrolled in the Charter School. The amount are calculated from the most recent budget data of the student's district.

Local Levy – Equalization Aid State and Local Share – The Charter School's funding is pursuant to the School Funding Reform Act of 2008, which states the Charter School of residence shall pay directly to the Charter School for each student enrolled in the Charter School who resides in the district an amount equal to 90% of the sum of the budget year equalization aid per pupil and the pre-budget year general fund tax levy per pupil inflated by the CPI rate most recent to the calculation.

Special Education / Security Aid – The Charter School of residence shall pay directly to the Charter School the security aid attributable to the student and a percentage of the District's special education categorical aid equal to the percentage of the district's special education students enrolled in the Charter School.

9. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the Charter School, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

10. Allocation of Indirect Expenses

The Charter School reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

12. Accrued Salaries and Wages

Certain Charter School employees who provide services to the Charter School over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

13. 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 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.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

C. Fund Balance Reserves

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

Capital Reserve – This restriction was created by the Charter School in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures.

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.

D. Impact of Recently Issued Accounting Principles

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the Charter School.

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*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. 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*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact of Recently Issued Accounting Principles (Continued)

Recently Issued Accounting Pronouncements (Continued)

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*, implementation postponed will be effective beginning with the year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.

GASB No. 96, *Subscription - Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact of Recently Issued Accounting Principles (Continued)

GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans- An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the Charter School will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

E. 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 depositories include savings and loan institutions, banks (both state and national banks) and savings banks of which the deposits are federally insured. All public

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2020

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

Deposits and Investments (Continued)

Deposits

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, 2020, cash and cash equivalents of the Charter School consisted of the following:

	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Operating Account	<u>\$ 2,114,522</u>	<u>\$ 12,647</u>	<u>\$ 25,083</u>	<u>\$ 2,152,252</u>

The Charter School had no investments at June 30, 2020.

The carrying amount of the Board's cash and cash equivalents at June 30, 2020 was \$2,152,252 and the bank balance was \$2,186,378. 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, 2020, 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, 2020

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, 2020.

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, 2020.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2020

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

Investments (Continued)

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, 2020.

B. Receivables

Receivables at June 30, 2020, 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	\$ 53,140	\$ 53,211
Federal Aid	134,522	141,890
Other	5,215	5,215
Gross Receivables	<u>192,877</u>	<u>200,316</u>
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u>\$ 192,877</u>	<u>\$ 200,316</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, 2020:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 141,701	\$ -
Special Revenue Fund		134,522
Proprietary Fund	2,746	
Fiduciary Fund		9,925
Total	<u>\$ 144,447</u>	<u>\$ 144,447</u>

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

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

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	\$ 38,131	\$ -	\$ -	\$ 38,131
Total Capital Assets Being Depreciated	38,131	-	-	38,131
<i>Less Accumulated Depreciation For:</i>				
Machinery and Equipment	38,131	-	-	38,131
Total Accumulated Depreciation	38,131	-	-	38,131
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	-	-	-	-
Government Activity Capital Assets, Net	\$ -	\$ -	\$ -	\$ -

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.

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. 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>
2021	\$ 419,608
2022	428,000
2023	428,000
45047	35,667
June 2023	35,667
Total future minimum lease payments	<u>\$ 1,346,942</u>

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2020

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

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 2019-2020 academic year. The lease was renewed for 2020-2021 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, 2020 amounted to \$439,542.

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 4: PENSION PLANS

Public Employees' Retirement System (PERS) (Continued)

Plan Description

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. 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

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 years or more 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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 4: PENSION PLANS

Public Employees' Retirement System (PERS) (Continued)

Contributions (Continued)

liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, 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 \$71,911 for fiscal year 2020.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2020, the Charter School reported a liability of \$1,312,598 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2018 which was rolled forward to June 30, 2019. 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, 2019 measurement date, the Charter School's proportion was 0.0072847336%, which was 0.0049069199%, an increase of 0.0023778137% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the Charter School recognized pension expense of \$236,647, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2019 measurement date.

At June 30, 2020, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

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)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 23,559	\$ 5,798
Changes in Assumptions	131,068	455,599
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	20,720
Changes in Proportion and Differences between Charter School Contributions and Proportionate Share of Contributions	587,350	31,575
Charter School Contributions Subsequent to the Measurement Date	71,911	-
	\$ 813,888	\$ 513,692

\$71,911, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2021.

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:

Fiscal Year Ending June 30,	Total
2020	\$ (37,902)
2021	(122,953)
2022	(109,790)
2023	(51,552)
2024	(5,293)
	\$ (327,490)

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

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)

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 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2019, 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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
June 30, 2019	-	5.21 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
June 30, 2019	-	5.21 years

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

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)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2015	5.00 years	-
June 30, 2016	5.00 years	-
June 30, 2017	5.00 years	-
June 30, 2018	5.00 years	-
June 30, 2019	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

Actuarial Assumptions

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2018. 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, 2019. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 4: PENSION PLANS

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019. The actuarial assumptions used in the July 01, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 4: PENSION PLANS

Public Employees' Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, 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, 2019, 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:

	Measurement Date June 30, 2019		
	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
Charter School's Proportionate Share of the Net Pension Liability	\$ 1,669,560	\$ 1,321,730	\$ 1,028,634

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, (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, 2020

NOTE 4: PENSION PLANS

Public Employees' Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position (Continued)

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

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. 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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 4: PENSION PLANS

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

Vesting and Benefit Provisions (Continued)

final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 with 25 years or more of service credit before age 62, and Tier 5 before age 65 with 30 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.

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 2019, 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. In addition, the Charter School must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with Charter School. During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$18,836 to the TPAF for normal pension benefits on behalf of the Charter School, which is less than the contractually required contribution of \$201,978.

The employee contribution rate was 7.50% effective July 1, 2018.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

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

At June 30, 2020, 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.

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	6,164,984
	6,164,984
Total	\$ 6,164,984

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2018. 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, 2019. For the June 30, 2019 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, 2019, Charter School's proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2019 measurement date, the State's proportionate share of the TPAF net pension liability associated with the Charter School was 0.0100454445%, which was a decrease **Error! Not a valid link.** of 0.0030246366% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the Charter School recognized \$363,627 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, 2019 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, 2019:

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

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	\$ 8,729,264,342	\$ 17,163,131,436
Difference Between Expected and Actual Experience	1,203,503,264	213,344,311
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	163,369,676
	<u>\$ 9,932,767,606</u>	<u>\$ 17,539,845,423</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	-
June 30, 2019	-	8.04 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
June 30, 2019	-	8.04 years

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

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)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2015	-	5.00 years
June 30, 2016	-	5.00 years
June 30, 2017	-	5.00 years
June 30, 2018	-	5.00 years
June 30, 2019	-	5.00 years

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
2020	\$ (272,405,510)
2021	(704,260,700)
2022	(630,562,767)
2023	(1,216,378,743)
2024	(2,381,316,232)
Thereafter	(2,402,153,865)
	\$ (7,607,077,817)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 01, 2018. 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, 2019. This actuarial valuations 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, 2020

NOTE 4: PENSION PLANS

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

Actuarial Assumptions (Continued)

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

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 01, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 4: PENSION PLANS

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

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019, 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 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, 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, 2019, 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 5.60%, 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, 2020

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)

	Measurement Date June 30, 2019		
	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
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	7,287,433	6,179,868	5,260,940
	<u>\$ 7,287,433</u>	<u>\$ 6,179,868</u>	<u>\$ 5,260,940</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 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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 4: PENSION PLANS

Defined Contribution Retirement Program (DCRP) (Continued)

Plan Description (Continued)

Tier 3 enrollment but who earn salary of at least \$5,000.00 annually (The minimum salary 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, 2020, 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.

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, 2019. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting*

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

Defined Contribution Retirement Program (DCRP) (Continued)

Contributions (Continued)

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 Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. 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.

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.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

Defined Contribution Retirement Program (DCRP) (Continued)

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
	-
Total Plan Members	364,943

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.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2019 is \$41,729,081,045, 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, 2018 which were rolled forward to June 30, 2019.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2020

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

Defined Contribution Retirement Program (DCRP) (Continued)

Actuarial Methods and Assumptions

In the June 30, 2018 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 2019, the State paid PRM benefits for 153,893 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 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have remained consistent with Fiscal Year 2018 amounts. The State has appropriated \$1.612 billion in Fiscal Year 2020 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. The Fiscal Year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

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.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

Defined Contribution Retirement Program (DCRP) (Continued)

Post-Retirement Medical Benefits Contributions (Continued)

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, 2020, 2019, and 2018 were \$99,383, \$91,493, and \$127,333, 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, 2018 through June 30, 2019. Nonemployer allocation percentages have been rounded for presentation purposes.

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.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

Defined Contribution Retirement Program (DCRP) (Continued)

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

At June 30, 2019, the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Actual and Expected Experience	\$ -	\$ (10,484,965,300)
Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumptions Changes	-	(8,481,529,343)
Sub Total	-	(18,966,494,643)
Contributions Made in Fiscal Year Ending 2019 After June 30, 2018 Measurement Date	TBD	Not Available
Total	\$ -	\$ (18,966,494,643)

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
2020	\$ (2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Total Thereafter	(6,233,858,733)
	\$ (18,966,494,643)

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2020

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

Defined Contribution Retirement Program (DCRP) (Continued)

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

For the fiscal year ended June 30, 2020, the Charter School recognized in the government-wide statement of activities (accrual basis) OPEB expense of \$213,344. 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, 2020, the State's proportionate share of the OPEB liability attributable to the Charter School is \$956,615. 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, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the state's share of the OPEB liability attributable to the Charter School was 0.0022924420%, which was an increase of 0.0010956647% from its proportionate share measured as of June 30, 2018 of 0.0011967773%.

Actuarial Assumptions

The OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate 2.50%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 3.05% based on service years	2.00 - 6.00% based on service years	3.25 - 15.25% based on service years
Thereafter	1.55 - 3.05% based on service years	3.00 - 7.00% based on service years	Applied to all future years

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

Defined Contribution Retirement Program (DCRP) (Continued)

Actuarial Assumptions (Continued)

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

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

Health Care Trend Assumption – For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%

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, 2019.

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>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

Defined Contribution Retirement Program (DCRP) (Continued)

Discount Rate (Continued)

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, 2020 (measurement date June 30, 2019) is as follows:

	Charter School's Total OPEB Liability (State Share 100%)	State of New Jersey's Total OPEB Liability
Balance at June 30, 2018 Measurement Date	\$ 551,844	\$ 46,110,832,982
Changes Recognized for the Fiscal Year:		
Service Cost	169,210	1,734,404,850
Interest on Total OPEB Liability	27,359	1,827,787,206
Changes of Benefit Terms	-	-
Differences between Expected and Actual Experiences	222,434	(7,323,140,818)
Effect of Changes of Assumptions	14,263	622,184,027
Contributions - Employees	870	37,971,171
Gross Benefits Paid by the State	(29,365)	(1,280,958,373)
Net Changes	404,771	(4,381,751,937)
Balance at June 30, 2019 Measurement Date	\$ 956,615	\$ 41,729,081,045

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% in 2018 to 3.50% in 2019.

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, 2019. 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, 2019 was not provided by the pension system.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 5: POST-RETIREMENT MEDICAL BENEFITS

Defined Contribution Retirement Program (DCRP) (Continued)

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 3.50%, 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 (2.50%) or 1-percentage-point higher (4.50%) than the current rate:

	At 1% Decrease (2.50%)	At Current Discount Rate (3.50%)	At 1% Increase (4.50%)
Net OPEB Liability (Allocable to the Charter School and the responsibility of the State)	\$ 1,130,140	\$ 956,615	\$ 818,776

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:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability (Allocable to the Charter School and the responsibility of the State)	\$ 788,208	\$ 956,615	\$ 1,179,551

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the Charter School at June 30, 2019. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the Charter School at June 30, 2019 were not provided by the pension system.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

Notes to the Basic Financial Statements

June 30, 2020

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>
2019-2020	\$ -	\$ 4,578	\$ 3,744	\$ 834
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	-

NOTE 7: DETAILED DISCLOSURE REGARDING FUND EQUITY

General Fund

Of the \$2,297,273 General Fund balance at June 30, 2020, \$75,014 is the Mandated Reserve account for Capital Reserve per State requirement and \$2,222,259 is unassigned and undesignated.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Basic Financial Statements
June 30, 2020

NOTE 8: SUBSEQUENT EVENTS

Subsequent events were evaluated through January 18, 2021, the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Charter School's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Charter School is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

Although the Charter School cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material effect on the Charter School's results of future operations, financial position, and liquidity in fiscal year 2021.

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, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Equalization Aid - Local Share - Charter School Aid	\$ 541,139	\$ 42,405	\$ 583,544	\$ 583,544	\$ -
Total Local Sources	541,139	42,405	583,544	583,544	-
Categorical Aid:					
Equalization Aid - State Share - Charter School Aid	2,384,325	14,608	2,398,933	2,398,933	-
Special Education Categorical Aid	85,646	42,793	128,439	128,439	-
Security Aid	107,735	2,074	109,809	109,809	-
State Adjustment Aid	541,920		541,920	541,920	-
Total Categorical Aid	3,119,626	59,475	3,179,101	3,179,101	-
Other Sources:					
Miscellaneous Revenue				3,850	3,850
On-Behalf TPAF Pension Aid (Non-Budgeted)				267,893	267,893
Reimbursed TPAF Social Security Aid (Non-Budgeted)				107,177	107,177
On-Behalf TPAF Post-Retirement Medical Aid (Non-Budgeted)				99,383	99,383
On-Behalf TPAF Long-Term Disability Insurance Aid (Non-Budgeted)				831	831
Total Other Sources	-	-	-	479,134	479,134
Total Revenues	3,660,765	101,880	3,762,645	4,241,779	479,134
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,284,857	(54,590)	1,230,267	1,181,226	49,041
Other Salaries for Instruction	117,818	-	117,818	99,558	18,260
Purchased Prof/Tech Services	45,300	-	45,300	18,884	26,416
Other Purchased Services	44,000	25,301	69,301	56,838	12,463
General Supplies	40,000	56,935	96,935	96,934	1
Textbooks	25,000	(9,848)	15,152	15,152	-
Miscellaneous	20,800	20,078	40,878	40,878	-
Total Instruction	1,577,775	37,876	1,615,651	1,509,470	106,181
Administration:					
Salaries - General Administration	302,016	750	302,766	302,766	-
Salaries of Secretarial/Clerical Assistants	303,693	2,900	306,593	306,593	-
Total Benefits Cost	473,870	(25,281)	448,589	442,784	5,805
Purchases Prof/Tech Services	54,850	(13,518)	41,332	36,537	4,795
Other Purchased Services	41,220		41,220	39,300	1,920
Supplies and Materials	40,000	(201)	39,799	35,857	3,942
Miscellaneous Expenses	22,150	16,099	38,249	34,375	3,874
Total Administration	1,237,799	(19,251)	1,218,548	1,198,212	20,336

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, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued From Prior Page)					
Support Services:					
Salaries	\$ 53,679	\$ (750)	\$ 52,929	\$ 43,224	\$ 9,705
Purchased Prof/Ed Services	20,000	42,793	62,793	29,817	32,976
Purchased Prof/Tech Services	6,000		6,000	4,000	2,000
Rental of Land and Buildings	450,000		450,000	439,542	10,458
Other Purchased Services	72,250		72,250	53,765	18,485
Transportation-Other Than To/From School	15,000	11,165	26,165	20,560	5,605
Insurance for Property, Liability and Fidelity	50,000	(9,000)	41,000	37,595	3,405
Supplies and Materials	20,000	-	20,000	18,120	1,880
Energy Costs (Heat and Electricity)	45,000	-	45,000	29,235	15,765
Miscellaneous Expenses	11,700	10,000	21,700	7,868	13,832
Total Support Services	743,629	54,208	797,837	683,726	114,111
On-Behalf TPAF Pension Contributions (Non-Budgeted)				267,893	(267,893)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				107,177	(107,177)
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)				99,383	(99,383)
On-Behalf TPAF Long-Term Disability Insurance Contributions (Non-Budgeted)				831	(831)
Total Expenditures	3,559,203	72,833	3,632,036	3,866,692	(234,656)
Excess (Deficiency) of Revenues Over (Under) Expenditures	101,562	29,047	130,609	375,087	244,478
FUND BALANCE, JULY 1	1,922,186	-	1,922,186	1,922,186	-
FUND BALANCE, JUNE 30	\$ 2,023,748	\$ 29,047	\$ 2,052,795	\$ 2,297,273	\$ 244,478
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	\$ 2,023,748	\$ 29,047	\$ 2,052,795	\$ 2,297,273	\$ 244,478
Total	\$ 2,023,748	\$ 29,047	\$ 2,052,795	\$ 2,297,273	\$ 244,478

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, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE SOURCES:					
Federal	\$ 332,232	\$ -	\$ 332,232	\$ 231,518	\$ (100,714)
Total Revenues	332,232	-	332,232	231,518	(100,714)
EXPENDITURES:					
Instruction:					
Salaries	142,926		142,926	142,926	-
Salaries of Teachers	71,715		71,715		71,715
General Supplies	48,807		48,807	26,647	22,160
Total Instruction	263,448	-	263,448	169,573	93,875
Support Services:					
Salaries	7,800		7,800	7,800	-
Personal Services - Employee Benefits	55,510		55,510	50,024	5,486
Miscellaneous (Other) Purchased Services	1,353		1,353		1,353
Supplies and Materials	4,121		4,121	4,121	-
Total Support Services	68,784	-	68,784	61,945	6,839
Total Expenditures	332,232	-	332,232	231,518	100,714
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2020

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] \$ 4,241,779	[C-2] \$ 231,518
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] \$ 4,241,779	[B-2] \$ 231,518
Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 3,866,692	[C-2] \$ 231,518
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] \$ 3,866,692	[B-2] \$ 231,518

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.

L-1 Schedules of the Charter School's Proportionate Share of the Net Pension Liability - PERS

[INSERT SPREADSHEET]

L-2 Schedules of Charter School Contributions - PERS

[INSERT SPREADSHEET]

L-3 Schedules of the Charter School's Proportionate Share of the Net Pension Liability - TPAF

[INSERT SPREADSHEET]

L-4 Schedules of Charter School Contributions - TPAF

[INSERT SPREADSHEET]

**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 Four Fiscal Years
 Unaudited

Total Non-Employer OPEB Liability-State's Proportionate Share of the Total OPEB Liability Associated with the Charter School	Fiscal Year Ending June 30,			
	2020	2019	2018	2017
OPEB Liability at Beginning of Measurement Period	\$ 551,844	\$ 885,256	\$ 766,733	\$ -
Changes Recognized for the Fiscal Year:				
Service Cost	169,210	233,642	279,153	Not Available
Interest on Total OPEB Liability	27,359	39,804	29,528	Not Available
Effect on Changes of Benefit Terms	-	-	-	Not Available
Differences Between Expected and Actual Experience	222,434	(529,285)	-	Not Available
Effect on Changes of Assumptions	14,263	(63,327)	(170,409)	Not Available
Contributions from the Employees	870	510	755	Not Available
Gross Benefit Paid by the State	(29,365)	(14,756)	(20,504)	Not Available
Net Changes	404,771	(333,412)	118,523	-
OPEB Liability at the End of Measurement Period	\$ 956,615	\$ 551,844	\$ 885,256	\$ 766,733
Charter School's Proportionat Share of the Total OPEB Liability	0.0022924420%	0.0011967773%	0.0016503703%	0.0013257986%
Charter School's Covered Employees Payroll	\$ 1,834,272	\$ 1,637,240	\$ 2,084,921	\$ 1,409,929
Total Charter School's OPEB Liability as a Percentage of Covered Employee Payroll	52.15%	33.71%	42.46%	54.38%
Charter School's Contributions	None	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, 2020

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

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019.

NET OPEB LIABILITY (SCHEDULE M-1)

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to Required Supplementary Information
Teachers' Pension and Annuity Fund
For Fiscal Year Ended June 30, 2020

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

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019.

NET OPEB LIABILITY (SCHEDULE M-1)

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

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, 2020

	ESSA Title I	I.D.E.A. Part B	CARES Act 2020/ ESSER	Grand Total
REVENUE SOURCES:				
Federal	\$ 167,753	\$ 45,004	\$ 18,761	\$ 231,518
Total Revenues	<u>167,753</u>	<u>45,004</u>	<u>18,761</u>	<u>231,518</u>
EXPENDITURES:				
Instruction:				
Salaries	109,590	33,336		142,926
General Supplies	12,007		14,640	26,647
Total Instruction	<u>121,597</u>	<u>33,336</u>	<u>14,640</u>	<u>169,573</u>
Support Services:				
Salaries	7,800			7,800
Personal Services - Employee Benefits	38,356	11,668		50,024
Supplies and Materials			4,121	4,121
Total Support Services	<u>46,156</u>	<u>11,668</u>	<u>4,121</u>	<u>61,945</u>
Total Expenditures	<u>167,753</u>	<u>45,004</u>	<u>18,761</u>	<u>231,518</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, 2020

	Trusts	Agency				Total
	Unemployment Compensation Insurance	Payroll Agency	Net Payroll	Student Activities	Agency Fund	
ASSETS:						
Cash and Cash Equivalents	\$ 834	\$ 3,259	\$ 6,666	\$ 14,324	\$ 24,249	
Total Assets	<u>834</u>	<u>3,259</u>	<u>6,666</u>	<u>14,324</u>	<u>24,249</u>	
LIABILITIES:						
Interfund Accounts Payable Due to Student Groups		\$ 3,259	\$ 6,666	\$ -	\$ 9,925	
Total Liabilities	<u>-</u>	<u>3,259</u>	<u>6,666</u>	<u>14,324</u>	<u>24,249</u>	
NET POSITION:						
Held in Trust for Claims	834					
Total Net Position	<u>\$ 834</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, 2020

	Balance July 1, 2019	Cash Receipts	Cash Disbursements	Balance June 30, 2020
Student Groups	\$ 14,241	\$ 15,780	\$ 15,697	\$ 14,324
Total	<u>\$ 14,241</u>	<u>\$ 15,780</u>	<u>\$ 15,697</u>	<u>\$ 14,324</u>

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Fiduciary Funds
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
ASSETS:				
Cash and Cash Equivalents	\$ 3,256	\$ 864,189	\$ 864,186	\$ 3,259
Total Assets	<u>\$ 3,256</u>	<u>\$ 864,189</u>	<u>\$ 864,186</u>	<u>\$ 3,259</u>
LIABILITIES:				
Interfund Accounts Payable	\$ 3,256	\$ 3	\$ -	\$ 3,259
Payroll Deductions and Withholdings	-	864,186	864,186	-
Total Liabilities	<u>\$ 3,256</u>	<u>\$ 864,189</u>	<u>\$ 864,186</u>	<u>\$ 3,259</u>

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 Trust Funds
 For the Fiscal Year Ended June 30, 2020

	Unemployment Compensation Insurance
ADDITIONS:	
Employee Contributions	\$ 4,578
Board Contributions	-
	-
Total Additions	4,578
DEDUCTIONS:	
Payment of Claims	3,744
	3,744
Total Deductions	3,744
CHANGE IN NET POSITION	834
NET POSITION - BEGINNING OF THE YEAR	-
NET POSITION - END OF THE YEAR	\$ 834

**STATISTICAL SECTION
(UNAUDITED)**

Barack Obama Green Charter High School has been in operation for ten (10) years. GASB requires that ten years of statistical data be presented. Each year thereafter, an additional year's data will be included until ten years of data is presented.

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 Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2020	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	75,014	75,000	75,000	75,000	-	-	-	-	-	-
Unrestricted	1,137,946	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	\$ 1,212,960	\$ 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	22,832	5,892	3,304	33,091	16,850	13,297	-	3,571	3,571	368
Total Business-Type Activities Net Assets/Position	\$ 22,832	\$ 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	75,014	75,000	75,000	75,000	-	-	-	-	-	-
Unrestricted	1,160,778	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	\$ 1,235,792	\$ 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 Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental Activities:										
Instruction	\$ 2,287,263	\$ 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	1,423,841	1,232,686	1,824,154	1,556,110	780,950	624,364	642,568	959,449	576,667	352,034
Support Services	766,236	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	12,569	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	\$ 4,477,340	\$ 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	91,030	94,286	123,809	90,935	89,506	87,353	103,364	77,503	59,132	42,485
Total Business-Type Activities Expenses	91,030	94,286	123,809	90,935	89,506	87,353	103,364	77,503	59,132	42,485
Total Charter School Expenses	\$ 4,568,370	\$ 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	\$ -	\$ -	\$ 50,192	\$ -	\$ 947,204	\$ 694,947	\$ -	\$ -	\$ -	\$ -
Operating Grants and Contributions	235,616	46,110	-	60,191	-	-	316,870	286,375	248,329	178,754
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Revenues	\$ 235,616	\$ 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	105,469	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	\$ 105,469	\$ 84,146	\$ 93,658	\$ 105,533	\$ 89,665	\$ 96,807	\$ 87,717	\$ 68,178	\$ 42,070	\$ 27,853
Total Charter School Program Revenues	\$ 341,085	\$ 130,256	\$ 144,213	\$ 167,367	\$ 1,040,263	\$ 795,997	\$ 410,636	\$ 359,509	\$ 292,390	\$ 206,607
Net (Expense)/Revenue										
Governmental Activities	\$ (4,241,724)	\$ (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	14,439	(10,140)	(29,788)	16,241	3,553	13,297	(9,598)	(4,369)	(15,071)	(14,632)
Total Charter School-wide Net Expense	\$ (4,227,285)	\$ (4,197,874)	\$ (4,711,863)	\$ (3,961,748)	\$ (3,630,118)	\$ (3,328,755)	\$ (3,017,677)	\$ (2,869,006)	\$ (2,234,407)	\$ (1,371,719)
General Revenues and Other Changes in Net Assets/Position										
Governmental Activities:										
General Purposes	\$ 583,544	\$ 541,139	\$ 611,156	\$ 591,124	\$ 3,475,959	\$ 3,555,360	\$ 3,119,886	\$ 2,929,179	\$ 2,584,096	\$ 1,681,267
Federal and State Aid Not Restricted	3,863,631	3,833,225	4,031,155	3,607,806	-	-	-	-	-	-
Miscellaneous Income	3,950	34,062	120,641	25,165	13,526	7,394	23,146	87,056	3,494	1,716
Transfers	-	-	-	-	(6,027)	-	(1,941)	(1,941)	(10,610)	(15,000)
Total Governmental Activities	\$ 4,451,025	\$ 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	1	-	-	-	-	-	-	-
Transfers and Miscellaneous Income	-	-	-	-	-	-	6,027	4,369	18,274	15,000
Total Business-Type Activities	1	1	1	-	-	-	6,027	4,369	18,274	15,000
Total Charter School-wide	\$ 4,451,026	\$ 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	\$ 209,301	\$ 220,692	\$ 80,877	\$ 246,106	\$ (144,186)	\$ 220,702	\$ 128,836	\$ 149,657	\$ 357,644	\$ 310,896
Business-Type Activities	14,440	(10,139)	(29,787)	16,241	3,553	13,297	(3,571)	-	3,203	368
Total Charter School	\$ 223,741	\$ 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 Ten Fiscal Years

(modified accrual basis of accounting)

Unaudited

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Restricted	\$ 75,014	\$ 75,000	\$ 75,000	\$ 17,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	2,222,259	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	\$ 2,297,273	\$ 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 Ten Fiscal Years
 (modified accrual basis of accounting)
 Unaudited

Fiscal Year Ending June 30,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Local Sources:										
Local Tax Levy	\$ 583,544	\$ 541,139	\$ 611,156	\$ 591,124	\$ 737,023	\$ 737,669	\$ 559,659	\$ 527,551	\$ 447,313	\$ 318,514
Miscellaneous	3,850	34,062	120,641	25,165	13,526	7,394	23,146	87,056	15,008	71,916
State Sources	3,654,385	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	231,518	234,663	207,928	386,000	240,289	149,119	127,239	191,348	188,443	108,554
Total Revenues	4,473,297	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	1,679,043	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	1,673,496	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	745,671	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	4,098,210	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	375,087	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	\$ 375,087	\$ 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 Ten Fiscal Years

(modified accrual basis of accounting)

Unaudited

Fiscal Year Ending June 30,	Prior Year Refunds	Miscellaneous Revenue	Annual Total
2020	\$ -	\$ 3,850	\$ 3,850
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 Ten Fiscal Years

Function	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction	27.0	25.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	13.0
Administrative	6.0	5.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	4.1
Support Services	5.0	5.0	6.0	2.0	2.0	2.0	2.0	2.0	2.0	3.7
Food Service	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Total	40.0	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 Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily		Percent Change in Average Daily Enrollment	Student Attendance Percentage
							Enrollment (ADE) ^c	Attendance (ADA) ^c		
2020	234.0	\$ 4,098,210	\$ 17,514	7.56%	27.0	12:1	232.00	214.00	0.86%	92.24%
2019	233.0	3,793,864	16,283	-9.92%	22.0	12:1	230.00	209.00	-2.17%	90.87%
2018	239.0	4,319,906	18,075	9.63%	20.0	12:1	235.00	219.00	0.72%	93.19%
2017	235.0	3,874,510	16,487	-17.75%	20.0	12:1	233.30	217.00	0.90%	93.01%
2016	233.0	4,670,381	20,045	10.32%	20.0	12:1	231.20	227.00	1.60%	98.18%
2015	227.0	4,124,352	18,169	6.33%	20.0	12:1	227.50	223.00	10.73%	98.02%
2014	201.0	3,434,430	17,087	-4.81%	20.0	12:1	203.10	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	13.86%	97.83%
2012	162.9	2,366,918	14,530	6.03%	14.0	11.6:1	158.50	155.00	42.84%	97.79%
2011	111.8	1,532,101	13,704	0.00%	11.2	11:1	90.60	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 Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Charter School Building	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
<u>High School</u>	240	260	260	260	260	260	260	180	180	180
35 Watchung Avenue, Plainfield, NJ	234	233	239	235	233	240	240	179	163	163
Square Feet										
Capacity (students)										
Enrollment										

Number of Schools at June 30, 2020
 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.

SCHEDULE OF YOUR CURRENT INSURANCE

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
 Date Prepared Updated 9/9/2020



COVERAGE	LIMITS	TERMS IN YEARS	EXPIRES	COMPANY	POLICY NUMBER	PREMIUM	COMMENTS
COMMERCIAL PACKAGE POLICY		1 YEAR	07/01/21	NEW JERSEY SCHOOLS INSURANCE GROUP	P986AL	\$12,862.03	T.L.V. \$350,000
PROPERTY							Contents Limit
BLANKET BUILDING & CONTENTS(Per Fund)	\$ 500,000,000						Per Occurrence
BLANKET EXTRA EXPENSE	\$ 250,000						PTO's & PTA's incl. As
BLANKET VALUABLE PAPERS & RECORDS	\$ 25,000						Additional Insured
DEMOLITION & INCREASED COST OF CONST.	\$ 25,000,000						Per Occurrence
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)	\$ 250,000						
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

J-20
Page 2 of 4

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

Date Prepared Updated 9/9/2020

Page 2 of 4

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	07/01/21	NEW JERSEY SCHOOLS INSURANCE GROUP	P986AL	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 NUSIG ANNUAL AGGREGATE	\$ 100,000 INCLUDED \$ 25,000 \$ 10,000 \$ 1,000 \$ 1,000,000 \$ 500,000 \$ 10,000 \$ 250,000 \$ 10,000,000		07/01/21	NEW JERSEY SCHOOLS INSURANCE GROUP	P986AL	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 \$ 100,000 \$ 500,000 \$ 100,000 \$ 1,000,000 \$ 1,000,000		07/01/21	NEW JERSEY SCHOOLS INSURANCE GROUP	P986AL	Included in Package	

SCHEDULE OF YOUR CURRENT INSURANCE

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

Date Prepared Updated 9/9/2020

Page 3 of 4

COVERAGE	LIMITS	TERMS IN YEARS	EXPIRES	COMPANY	POLICY NUMBER	PREMIUM	COMMENTS
EXPEDITING EXPENSES	\$ 500,000	1 YEAR	07/01/21	NEW JERSEY SCHOOLS INSURANCE GROUP	P9866AL	Included in Package	12 HOURS FOR INDIRECT COVERAGES
HAZARDOUS SUBSTANCES	\$ 500,000						SERVICE INTERRUPTION WAITING PERIOD 24 HOURS
NEWLY ACQUIRED LOCATIONS	\$ 250,000						
TERRORISM INCLUDED IN PROPERTY DEDUCTIBLE FOR PROPERTY DAMAGE	\$ 25,000						
CRIME							
PUBLIC OFFICIAL BONDS							
BOARD PRESIDENT	\$ 500,000			NEW JERSEY SCHOOLS INSURANCE GROUP	P9866AL		SUBJECT OT \$1,000 DEDUCTIBLE
BOARD SECRETARY	\$ 500,000						SUBJECT OT \$1,000 DEDUCTIBLE
COMPREHENSIVE GENERAL LIABILITY							
BODILY INJURY & PROPERTY DAMAGE	\$ 16,000,000		07/01/21	NEW JERSEY SCHOOLS INSURANCE GROUP	P9866AL	Included in Package	Medical Payments - This coverage is excess over any other valid and collectible insurance
BODILY INJURY PRODUCTS & COMPLETED OPS.	\$ 16,000,000						NJ SIG-G1 is amended as follows:
SEXUAL ABUSE	\$ 16,000,000						B. EXCLUSIONS
ANNUAL NJ SIG AGGREGATE	\$ 26,500,000						Exclusion B is deleted and replaced by the following: 8. to property damage owned by the insured and to non-owned property in care, custody and control of the Insured;
PERSONAL INJURY & ADVERTISING Injury	\$ 16,000,000						However, for the perils of fire and explosion coverage is provided for non-owned property in the care, custody or control of the insured is limited to \$1,000,000
EMPLOYEE BENEFITS LIABILITY	\$ 16,000,000						
EMPLOYEE BENEFITS LIABILITY DEDUCTIBLE	\$ 1,000						
PREMISES MEDICAL PAYMENTS EA PERSON	\$ 5,000						
TOTAL LIMIT OF THE GROUP	\$ 10,000						
TERRORISM PER OCCURRENCE/ANNUAL	\$ 1,000,000						
NJ SIG ANNUAL AGGREGATE							
AUTOMOBILE COVERAGE							
SYMBOLS 8&9		1 YEAR	07/01/21	NEW JERSEY SCHOOLS INSURANCE GROUP	P9866AL	Included in Package	HIRED CAR PHYSICAL DAMAGE \$110,000
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						

SCHEDULE OF YOUR CURRENT INSURANCE

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

Date Prepared Updated 9/9/2020

COVERAGE	LIMITS	TERMS IN YEARS	EXPIRES	COMPANY	POLICY NUMBER	PREMIUM	COMMENTS
SCHOOL LEADERS ERRORS & OMISSIONS							
COVERAGE A LIMIT	\$ 16,000,000	1 YEAR	07/01/21	NEW JERSEY SCHOOLS INSURANCE GROUP	E986AL	\$ 8,061.03	
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 & CLERICAL PAYROLL	\$ 2,163,662	1 YEAR	07/01/21	NEW JERSEY SCHOOLS INSURANCE GROUP	W9986AL	\$ 25,742.74	EXPERIENCE MODIFIER 0.9929 NJSIG DISCOUNT 0.6100
ESTIMATED NON PROFESSIONAL PIR	\$ 82,986						
PART I WC	STATUTORY						
PART II EMPLOYERS LIABILITY EA ACCIDENT	\$ 3,000,000						
BODILY INJURY BY DISEASE	\$ 3,000,000						
BODILY INJURY BY DISEASE AGGREGATE	\$ 3,000,000						
CYBER LIABILITY							
PER INCIDENT/EVENT	\$ 1,000,000	1 YEAR	07/01/21	Beazeley Insurance Co	V15DC1200701	Included in Package	
POLICY AGGREGATE LIMIT OF LIABILITY	\$ 10,000,000						
DEDUCTIBLES	Varies						
ENVIRONMENTAL IMPAIRMENT LIAB.							
SITE SPECIFIC		1 YEAR	07/01/21	IRONSHORE INSURANCE COMPANY	3576402	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	07/01/21	AIG/National Union Fire Insurance	86-343-450	Included in Package	
SUBJECT TO VARIOUS SUBLIMITS IN THE POLICY							
RESTART: Rebuilding Educational Structure							
Any One Occurrence	\$ 5,000,000	1 YEAR	07/01/21	WILLIS LIMITED	B080110826L20	Included in Package	75% OF COST TO REBUILD A NEW INNOVATIVE PPROGRAM TO HELP MEMBERS WITH ACCESS TO CAPTIAL TO FINANCE PART OF THE RECONSTRUCTION AFTER AN ACTIVE ASSAILANT TRAGIC EVENT
AGGREGATE	\$ 10,000,000						
CO-INSURANCE/RETENTION 25% FOR DEMOLITION 75% FOR RECONSTRUCTION							

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 New Jersey Performance Framework Financial Ratios
 Audited Performance Indicators
 Last Three Fiscal Years

	2018 Audit	2019 Audit	2020 Audit	Source
Cash	1,466,790	1,917,480	2,127,169	Audit: Exhibit A-1
Current Assets (include cash)	1,592,371	2,063,718	2,397,410	Audit: Exhibit A-1
Current Liabilities	103,417	185,381	149,216	Audit: Exhibit A-1
Total Expenses	4,866,076	4,328,130	4,568,370	Audit: Exhibit A-2
Change in Net Position	51,090	223,280	226,241	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	235.00	230.00	232.00	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	240	240	240	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	14,624	13,598	-	Auditor/Workpapers
Interest Expense	-	-	-	Auditor/Workpapers
Principal Payments	-	-	-	Auditor/Workpapers
Interest Payments	-	-	-	Auditor/Workpapers

Performance Indicators	2018	2019	2020	3 YR CUM	Calculation****	Target****
Near Term Indicators						
1a. Current Ratio (working capital ratio)	15.40	11.13	16.07		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b. Unrestricted days cash on hand	110	162	170		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c. Enrollment Variance	98%	96%	97%	97%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.** Default on loans or delinquent in debt payments	NO	NO	NO		Auditor	not in default
Sustainability Indicators						
2a*** 3 Year Cumulative Cash Flow	362,180	450,690	209,689	1,022,559	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b Debt Service Coverage Ratio	N/A	N/A	N/A		N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

* For renaissance schools: use Oct 15 count if no final count; use head count if ADE not available
 ** Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No
 *** 2020 =2020 Cash -2019 Cash; 2019 =2019 Cash -2018 Cash; 2018 =2018 Cash -2017 Cash
 **** Refer to NJ Performance Framework



SINGLE AUDIT SECTION

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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, 2020, and the related notes to the financial statements, which collectively comprise the Charter School’s basic financial statements and have issued our report thereon dated January 18, 2021.

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, and federal and state awarding agencies and pass-through entities, 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


Public School Accountant
PSA Number CS-01181

Union, New Jersey
January 18, 2021

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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, 2020. 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 Federal and State statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal and 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, 2020.

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
January 18, 2021

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Federal CFDA Number	FAIN	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2019	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2020 Unearned Revenue	Due to Grantor
U.S. Department of Education													
Passed-through State Department of Education													
Special Revenue Fund:													
Every Student Succeeds Act Cluster:													
84.010	S010A190030	ESSA - 6033 - 20	\$ 167,753	7/1/19 6/30/20	\$ -	\$ -	\$ 78,083	\$ (167,753)	\$ -	\$ -	\$ (89,670)	\$ -	\$ -
84.367A	S367A180029	ESSA - 6033 - 19	10,970	7/1/18 6/30/19	(10,970)	-	89,053	(167,753)	-	-	(89,670)	-	-
		Total Every Student Succeeds Act Cluster			(10,970)	-							
Individuals with Disabilities Cluster:													
84.027	H027A190100	IDEA - 6033 - 20	45,004	7/1/19 6/30/20	-	-	18,913	(45,004)	-	-	(26,091)	-	-
		Total Individuals with Disabilities Cluster					18,913	(45,004)			(26,091)		
Other Special Revenue Funds:													
84.425D	S425D200027	N/A	118,122	3/13/20 9/30/22	-	-	-	(18,761)	-	-	(18,761)	-	-
		CARES Act 2020ESBER						(18,761)			(18,761)		
		Total Other Special Revenue Funds						(18,761)			(18,761)		
		Total Special Revenue Fund			(10,970)	-	107,966	(231,518)	-	-	(134,522)	-	-
U.S. Department of Agriculture													
Passed-through State Department of Agriculture													
Enterprise Fund:													
Child Nutrition Program Cluster:													
10.553	201NJ304N1099	N/A	35,887	7/1/19 6/30/20	-	-	33,051	(35,887)	-	-	(2,836)	-	-
10.553	191NJ304N1099	N/A	19,276	7/1/18 6/30/19	(1,090)	-	1,090	-	-	-	-	-	-
10.555	201NJ304N1099	N/A	68,335	7/1/19 6/30/20	(3,899)	-	63,803	(68,335)	-	-	(4,532)	-	-
10.555	191NJ304N1099	N/A	63,565	7/1/18 6/30/19	(4,989)	-	101,843	(104,222)	-	-	(7,389)	-	-
		Total Enterprise Fund			(15,959)	-	209,809	(335,740)	-	-	(141,890)	-	-
		Sub-Total Federal Financial Awards											

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2020

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2019		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balance	Balance at June 30, 2020		Cumulative Total Expenditures
			From	To	Unearned Revenue (Accounts Receivable)	Due to Grantor					Unearned Revenue/ Interfund Payable	Due to Grantor	
State Department of Education													
General Fund - Public Cluster:													
Equalization Aid - State Share - Charter School Aid	20-495-034-5120-078	\$ 2,398,933	7/1/19	6/30/20	\$ -	\$ -	\$ 2,351,975	\$ (2,398,933)	\$ -	\$ -	\$ -	\$ -	\$ 2,398,933
Equalization Aid - State Share - Charter School Aid	19-495-034-5120-078	2,124,841	7/1/18	6/30/19	(20,170)	-	20,170	(128,439)	-	(46,958)	-	-	128,439
Special Education Categorical Aid	20-495-034-5120-089	109,809	7/1/19	6/30/20	-	-	109,809	(109,809)	-	-	-	-	109,809
Security Aid	20-495-034-5120-084	541,920	7/1/19	6/30/20	-	-	541,920	(541,920)	-	-	-	-	541,920
Adjustment Aid	20-495-034-5120-085	3,752,373	7/1/19	6/30/20	(20,170)	-	3,752,373	(3,779,101)	-	(46,958)	-	-	3,779,101
Total State Aid-Public Cluster													
Other General Funds:													
On-Behalf TPAF Post-Retirement Medical Contributions	20-495-034-5084-001	99,383	7/1/19	6/30/20	-	-	99,383	(99,383)	-	-	-	-	99,383
On-Behalf TPAF Pension Contributions	20-495-034-5084-002	267,883	7/1/19	6/30/20	-	-	267,883	(267,883)	-	-	-	-	267,883
Reimbursed TPAF - Social Security	20-495-034-5084-003	107,177	7/1/19	6/30/20	(4,491)	-	101,982	(107,177)	(5,215)	-	-	-	107,177
Reimbursed TPAF - Social Security	19-495-034-5084-003	95,957	7/1/18	6/30/19	(4,491)	-	4,491	-	-	-	-	-	95,957
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5084-004	831	7/1/19	6/30/20	(4,491)	-	474,560	(475,284)	(5,215)	-	-	-	831
Total Other General Funds													475,284
Total General Fund					(24,661)	-	3,626,973	(3,654,385)	(52,173)	-	-	-	3,654,385
State Department of Agriculture													
Enterprise Fund:													
Enterprise Fund - Lunch Program (State Share)	20-100-010-3350-023	1,247	7/1/19	6/30/20	(80)	-	1,176	(1,247)	(71)	-	-	-	1,247
National School Lunch Program (State Share)	19-100-010-3350-023	1,305	7/1/18	6/30/19	(80)	-	80	-	-	-	-	-	1,305
Total Enterprise Fund					(80)	-	1,256	(1,247)	(71)	-	-	-	1,247
Total State Financial Assistance					(24,741)	-	3,628,129	(3,655,632)	(52,244)	-	-	-	3,655,632
State Financial Assistance Not Subject to Major Program Determination:													
General Fund:													
On-Behalf TPAF Post-Retirement Medical Contributions	20-495-034-5084-001	99,383	7/1/19	6/30/20	-	-	99,383	(99,383)	-	-	-	-	99,383
On-Behalf TPAF Pension Contributions	20-495-034-5084-002	267,883	7/1/19	6/30/20	-	-	267,883	(267,883)	-	-	-	-	267,883
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5084-004	831	7/1/19	6/30/20	-	-	(831)	831	-	-	-	-	(831)
Total On-Behalf TPAF Pension System Contributions					-	-	(368,107)	368,107	-	-	-	-	(368,107)
Total State Financial Assistance Subject to Major Program Determination					(24,741)	-	3,260,022	(3,287,525)	(52,244)	-	-	-	3,287,525

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
Notes to Schedules of Expenditures of Awards and Financial Assistance
June 30, 2020

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, 2020

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	\$ -	\$ 3,654,385	\$ 3,654,385
Special Revenue Fund	231,518		231,518
Food Service Fund	104,222	1,247	105,469
Total Awards & Financial Assistance	<u>\$ 335,740</u>	<u>\$ 3,655,632</u>	<u>\$ 3,991,372</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, 2020.

NOTE 6. OTHER INFORMATION

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, 2020. 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, 2020.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to Schedules of Expenditures of Awards and Financial Assistance
June 30, 2020

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	<u>Total</u>
Title I, Part A: <i>Grants to Local Education Agencies</i>	<u>\$ 167,753</u>
Total	<u>\$ 167,753</u>

NOTE 9. DE MINIMIS INDIRECT COSTS

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

NOTE 10. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditors Results section of the Schedule of Findings and Questioned Costs.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

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
_____	_____
20-495-034-5120-078	State Aid-Public Cluster:
20-495-034-5120-089	Equalization Aid-State Share-Charter School Aid
20-495-034-5120-084	Special Education Categorical Aid
20-495-034-5120-085	Security Aid
_____	Adjustment Aid
_____	_____

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

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.

***Section III –Federal Awards 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, 2020

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.