

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
HOBOKEN DUAL LANGUAGE CHARTER  
SCHOOL, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**JUNE 30, 2020**  
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December 22, 2020

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

Dear Commissioner:

The Comprehensive Annual Financial Report of the Hoboken Dual Language 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 school. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the school. All disclosures necessary to enable the reader to gain an understanding of the school's financial activities have been included.

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

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

In 2010, the school opened with 132 students, the following represents the progression to full capacity

School Year	Grades	Enrollment
2011-2012	K-3	176
2012-2013	K-4	220
2013-2014	K-5	245
2014-2015	K-6	292
2015-2016	K-7	336
2016-2017	K-8	367
2017-2018	K-8	367
2018-2019	K-8	399
2019-2020	K-8	408

The Hoboken Dual Language Charter School (HoLa) is an exciting new dual language charter school that opened its doors to students in grades K-2 in September 2010 (a grade was added each year until the school reached K-8). HoLa offers a traditional core curriculum through instruction in both Spanish and English to children of all language backgrounds. The program utilizes the well-established immersion approach to dual language education with a range of opportunities for creative expression and experiential learning. Students become bilingual and biliterate in a culturally diverse and nurturing environment.

HoLa’s curriculum meets the New Jersey Student Learning Standards, incorporating best practices of successful dual language schools and decades of research in immersion education.

Tutoring is available for those students who demonstrate academic need, and the school provides optional, fee-based Aftercare and Enrichment programs, based on parent demand. Scholarships are available to students who cannot afford to participate in Aftercare, Enrichment or field trips, through funds raised by the Friends of HoLa organization and enterprise programs.

- 2) **ENROLLMENT OUTLOOK:** The school expects to have full enrollment every year supported by a strong wait list and a reputation for high academic performance.
- 3) **MAJOR ACCOMPLISHMENTS** – In the school’s 10th year of operation these were the key financial highlights for the 2018-19 fiscal year:

During the 2019-2020 school year, HoLa achieved multiple goals and successes:

- HoLa was once again designated as a Tier 1 / High Performing Charter School by the New Jersey Department of Education.
- HoLa was designated as a Model Dual Language Program by the New Jersey Department of Education for a 4th consecutive two-year term, and as such will continue to serve as a model and resource for best practices in immersion education to educators across the state.

- HoLa was selected by the New Jersey Department of Education participate in the pilot Pathway to Biliteracy program, which will serve to benchmark and formally identify 8th grade students whose Spanish language skills indicate a high level of proficiency in reading, writing, speaking and listening that is on target for the Seal of Biliteracy in 12th grade.
- HoLa partnered with the Spanish Consulate to establish New Jersey's first Visiting Teacher Program for certified teachers from Spain to teach in our classrooms.
- HoLa established the tuition-free Summer Success Program to support struggling students during the summer months, and prevent summer slide among our most at-risk students.
- The Friends of HoLa organization raised over \$300,000 to support the school through the generous contributions of our satisfied families. Funds raised serve to support the Summer Success Program; the Diversity, Inclusion, Community and Equity Committee's outreach efforts and support for HoLa families in need; HoLa's unique programmatic offerings, like STEM and Arts classes; a comprehensive Social Justice initiative; Professional Development for teachers; teacher recruitment and retention efforts; classroom technology; and, critical during the 2019-2020 school year, emergent needs such as PPE, digital resources and a wide range of other materials to support virtual instruction when the school was forced to transition to all-remote instruction overnight in response to the COVID-19 pandemic, and then shift to a hybrid model for September.
- The school ended the year with a financial surplus.
- HoLa established a Supervised Remote Learning Program to support children of essential workers and at-risk families on-site during remote / hybrid instruction.

We are extremely pleased with our outcomes in all areas - academic, organizational and fiscal - and look forward to equal growth and success in the subsequent school year.

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

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

As part of the school's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state

financial assistance programs, as well as to determine that the school has complied with applicable laws and regulations.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balances at June 30, 2020.

- 6) **ACCOUNTING SYSTEM AND REPORTS:** The Charter Schools’ accounting records reflect generally accepted accounting principles, as promulgated by the Government Accounting Standards Board (GASB). The accounting system of the school is organized on the basis of funds and account groups. These funds and account groups are explained in “Notes to the Financial Statements,” Note 1.

- 7) **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of report, the school continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Proprietary Funds for the fiscal year ended June 30, 2020.

Revenue	Amount	Percent of Total
Local	\$4,246,850	69%
State	1,127,389	18%
Special Revenue	160,990	3%
Misc.	224,615	4%
Proprietary Fund	<u>386,091</u>	<u>6%</u>
Total	<u>\$6,145,935</u>	<u>100%</u>

The following schedule presents a summary of the General Fund, Special Revenue Fund and Proprietary Fund expenditures for the fiscal year ended June 30, 2020.

Expenditures	Amount	Percent of Total
Current - General Fund	\$5,149,171	89%
Special Revenue	379,811	6%
Proprietary Fund	<u>248,403</u>	<u>5%</u>
Total	<u>\$5,777,385</u>	<u>100%</u>



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

10) **OTHER INFORMATION:**

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

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

Respectfully submitted,



Barbara Martinez  
Board President

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**

**ROSTER OF TRUSTEES AND OFFICERS  
JUNE 30, 2020**

<b><u>BOARD OF TRUSTEES</u></b>	<b><u>TERM EXPIRES</u></b>
Nicola Cammarota, President	3/2023
Jon Salinas	6/2021
Brigette Kirk	3/2022
Carlos Lejnieks	3/2022
Mark Galoreno	3/2022
Cindy Chin	3/2021

## **CONSULTANTS AND ADVISORS**

### **AUDIT FIRM**

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

### **ATTORNEYS**

Wilentz, Goldman & Spitzer  
90 Woodbridge Center Drive  
Woodbridge, NJ 07095

### **OFFICIAL DEPOSITORY**

BCB Community Bank  
401 Washington Street  
Hoboken, NJ 07030

## **FINANCIAL SECTION**

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

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FAX  
732 792-0868

**Independent Auditor's Report**

The Honorable Chairman and  
Members of the Board of Trustees  
Hoboken Dual Language Charter School  
County of Hudson  
Hoboken, New Jersey

**Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Trustees of the Hoboken Dual Language Charter School, County of Hudson, 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 Hoboken Dual Language Charter School's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hoboken Dual Language Charter School as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated December 22, 2020 on my consideration of the Hoboken Dual Language Charter School’s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

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

Licensed Public School Accountant No. 20CS00206400



Gerald D. Longo  
Certified Public Accountant  
December 22, 2020

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



**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2020**  
**(Unaudited)**

This section of Hoboken Dual Language Charter School annual financial report presents its discussion and analysis of the Board's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the Board's financial statements, which immediately follows this section.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2019-20 fiscal year include the following:

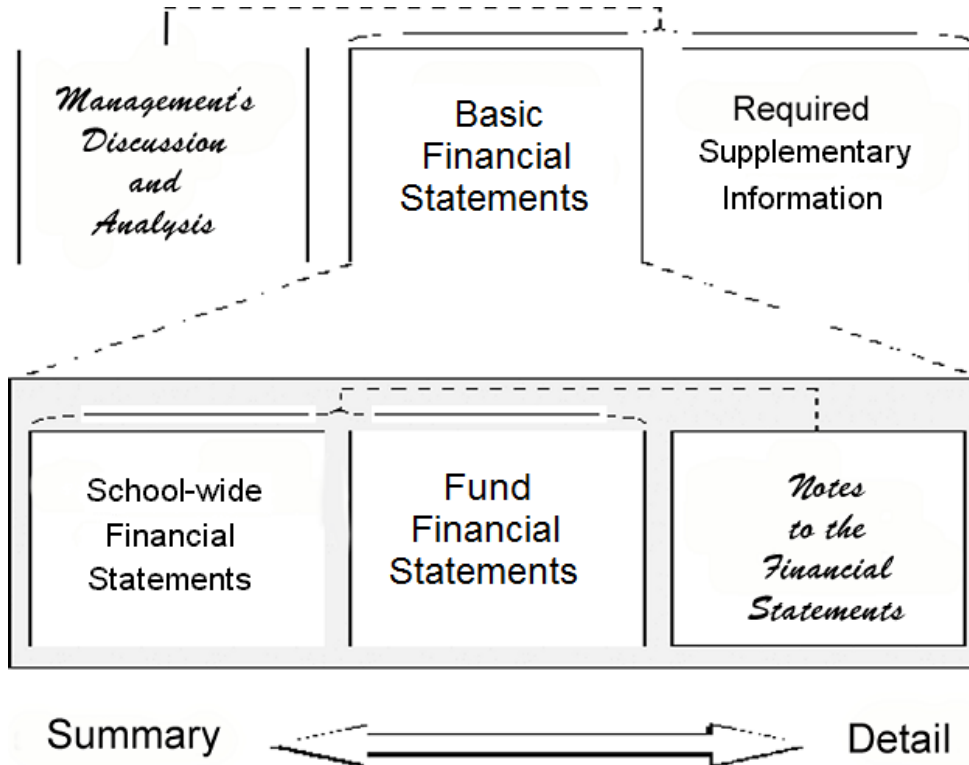
- Total Net Position (Deficit) was (\$1,451,600), net of pension adjustment of (\$2,655,103).
- The unrestricted unassigned General Fund balance at June 30, 2020 is \$268,587.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2020**  
**(Unaudited)**

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



- The first two statements are school-wide financial statements that provide both short-term and long-term information about the Hoboken Dual Language Charter School's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Hoboken Dual Language Charter School, reporting the Hoboken Dual Language Charter School's operation in more detail than the school-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the Food Service activities the Hoboken Dual Language Charter School operates like businesses.

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Management’s Discussion and Analysis**  
**Year Ended June 30, 2020**  
**(Unaudited)**

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

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

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Management’s Discussion and Analysis**  
**Year Ended June 30, 2020**  
**(Unaudited)**

**School-wide Statements**

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

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

In the school-wide financial statements, the Hoboken Dual Language Charter School’s activities are shown in two categories:

- *Governmental activities*- Most of the Hoboken Dual Language Charter School’s basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state aid finance most of these activities.
- *Business-type activities*- The Hoboken Dual Language Charter School’s Food Service Fund and the after school program are included here.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the Hoboken Dual Language Charter School’s funds – focusing on its most significant or “major” funds – not the Hoboken Dual Language Charter School as a whole.

Funds are accounting devices the Hoboken Dual Language Charter School uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law.

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2020**  
**(Unaudited)**

The Hoboken Dual Language Charter School use other funds, established in accordance with the State of New Jersey Uniform Chart, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is property using certain revenues (e.g., federal funds).

The Hoboken Dual Language Charter School has three kinds of funds:

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

**FINANCIAL ANALYSIS OF THE HOBOKEN DUAL LANGUAGE CHARTER SCHOOL AS A WHOLE**

**Net Position (Deficit).** The Hoboken Dual Language Charter School's Net Position (Deficit) is (\$1,451,600) net of pension adjustment of (\$2,655,103) on June 30, 2020. (See Table A-1).

Governmental	<u>(\$1,451,600)</u>
--------------	----------------------

The Statement of Net Position (Deficit) of (\$1,451,600) reflects total capital assets of \$106,147 net of assumed depreciation from inception.

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2020**  
**(Unaudited)**

The Hoboken Dual Language Charter School's financial position is the product of these factors:

- Special Revenues and Expenditures for Governmental Activities were \$379,811.
- General Fund Revenues were \$5,380,033.
- General Fund Expenditures were \$5,149,171.

**Table A-1**  
**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Statement of Net Position (Deficit) - School Wide**  
**As of June 30, 2020**

	<u><b>Total</b></u>
Current and Other Assets	\$874,386
Pension Deferred Outflows	2,480,044
Capital Assets (Including Business Activities)	106,147
<b>Total Assets</b>	<u><b>\$3,460,577</b></u>
Other Liabilities	105,799
Pension Liability - Noncurrent	3,755,685
Pension Deferred Inflows	1,379,462
<b>Total Liabilities and Deferred Inflows</b>	<u><b>\$5,240,946</b></u>
Net Position (Deficit)	
Invested In Capital Assets, Net	106,147
Unrestricted (Deficit)	(1,886,516)
<b>Total Net Position (Deficit)</b>	<u><b>(\$1,780,369)</b></u>
Fund Balance - June 30, 2020	\$1,097,356
Invested In Capital Assets, Net	106,147
Net Position before Pension Adjustment	1,203,503
Less: Pension Adjustment (Note 16)	(2,655,103)
Net Position (Deficit) - June 30, 2020	<u><u><b>(\$1,451,600)</b></u></u>

Total Governmental and Business Activities revenues & beginning assets are adjusted by net adjusted expenditures resulting in a calculation of Net Position (Deficit) of (\$1,149,448) on June 30, 2020.

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2020**  
**(Unaudited)**

**Table A-2**  
**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Changes in Net Position (Deficit) - School Wide**  
**For the Fiscal Year Ended June 30, 2020**

<b>Revenues</b>	<u><b>Total</b></u>	<u><b>Percentage</b></u>
Program revenues		
Charges for services	\$ -	
Operating grants and contributions		
General revenues		
Local Share	4,246,850	69%
Federal and State Aid-Unrestricted	1,127,389	18%
Federal Aid-Restricted	160,990	3%
Other	224,615	4%
Proprietary Fund	386,091	6%
Decrease in Capital Outlay	(9,147)	
<b>Total revenues</b>	<u><b>\$ 6,136,788</b></u>	<u>100%</u>
<b>Expenses</b>		
Regular Instruction	2,835,251	49%
General Administrative	1,473,375	25%
School Administrative	760,236	13%
On-behalf TPAF Social Security/Pension/Medical	460,120	8%
Proprietary Fund	248,403	5%
<b>Total expenses</b>	<u><b>\$ 5,777,385</b></u>	<u>100%</u>
Increase in net position	359,403	
Net Position, (Deficit) Beginning of Year - July 1, 2019	(1,149,448)	
Net Position, (Deficit) End of Year - June 30, 2020	<u><b>(790,045)</b></u>	
Less Pension Adjustments Net ( Note 16)	(661,555)	
Net Position (Deficit) - June 30, 2020	<u><b>\$ (1,451,600)</b></u>	

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2020**  
**(Unaudited)**

Table A-3 (See Exhibit A-2)  
**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Total and Net Cost of Services - School Wide**  
**For the Fiscal Year Ended June 30, 2020**

<u>Functions/Programs</u>	<u>Source</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
<b>School Wide Activities</b>			
Instruction			
Regular	B-2	\$ 2,835,251	\$ 2,455,440
<b>Support Services</b>			
General Administrative Services	B-2	1,473,375	1,473,375
School Administrative Services	B-2	760,236	760,236
On-behalf TPAF Social Security	B-2	460,120	460,120
Capital Outlay	B-2	-	-
Proprietary Fund	G-2	248,403	248,403
<b>Total School Wide Activities</b>		<b>\$ 5,777,385</b>	<b>\$ 5,397,574</b>

**FINANCIAL ANALYSIS OF THE HOBOKEN DUAL LANGUAGE CHARTER SCHOOL FUNDS**

The financial performance of the Hoboken Dual Language Charter School as a whole is reflected in its governmental activities Exhibit A-2. As the Hoboken Dual Language Charter School completed the year, it reported a governmental fund balance of \$768,586.

Revenues for the Hoboken Dual Language Charter School's governmental funds were \$6,145,935 while total expenses were \$5,777,385. (Table A-4) (Exhibit B-2)

**GENERAL FUND**

The General Fund includes the primary operations of the Hoboken Dual Language Charter School in providing educational services to students from grade K through grade 8.



**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2020**  
**(Unaudited)**

The following schedule presents a school wide summary of Revenues.

**Table A-4 (See Exhibit B-2)**  
**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Changes in Revenues - School Wide**  
**For the Fiscal Years Ended June 30**

<b>General Fund Revenues</b>	<b>Year Ended June 30, 2020</b>	<b>Year Ended June 30, 2019</b>	<b>Amount of Increase (Decrease)</b>
<b>Local Sources:</b>			
Local Share	\$ 4,246,850	\$ 4,022,394	\$ 224,456
Other Local Revenue	610,706	601,895	8,811
<b>Total Local Sources</b>	<b>\$ 4,857,556</b>	<b>\$ 4,624,289</b>	<b>\$ 233,267</b>
<b>Intergovernmental</b>			
State Sources	1,127,389	1,145,112	(17,723)
Federal Sources	160,990	195,594	(34,604)
<b>Total Intergovernmental Sources</b>	<b>\$ 1,288,379</b>	<b>\$ 1,340,706</b>	<b>\$ (52,327)</b>
<b>Total Revenue</b>	<b>\$ 6,145,935</b>	<b>\$ 5,964,995</b>	<b>\$ 180,940</b>

The following schedule presents a school wide summary of expenditures.

**Table A-5 (See Exhibit B-2)**  
**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Changes in Expenditures - School Wide**  
**For the Fiscal Years Ended June 30**

<b>General Fund Expenditures</b>	<b>Year Ended June 30, 2020</b>	<b>Year Ended June 30, 2019</b>	<b>Amount of Increase (Decrease)</b>
<b>Current:</b>			
Regular Instruction	\$ 2,835,251	\$ 2,473,709	\$ 361,542
General Administrative Services	1,473,375	1,493,842	(20,467)
School Administration	760,236	814,356	(54,120)
On-behalf TPAF Social Security/Pension/Medical	460,120	416,157	43,963
Capital outlay	-	-	-
Proprietary	248,403	263,850	(15,447)
<b>Total Expenditures</b>	<b>\$ 5,777,385</b>	<b>\$ 5,461,914</b>	<b>\$ 315,471</b>

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2020**  
**(Unaudited)**

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

The following table shows the unreserved unassigned fund balance.

**Table A-6**  
**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Changes in Unreserved-Unassigned Fund Balance - School Wide**  
**For the Fiscal Years Ended June 30**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Unreserved Unassigned						
Fund Balance	597,355	728,805	225,724	349,220	489,356	680,151
Expenditures	5,777,385	5,461,914	5,911,320	5,564,711	3,988,713	3,155,682
Percentages	10.3%	13.0%	4.0%	6.0%	12.3%	21.6%

The Hoboken Dual Language Charter School values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during school year. The amount of unreserved unassigned fund balance designated to support the subsequent years budgets \$597,355 for the 2020-21 school year.

**CAPITAL ASSETS**

**Capital Assets**

By the end of fiscal year ended June 30, 2020, in the General Fund, the Hoboken Dual Language Charter School had invested \$215,481 in a broad range of capital assets, including building improvements, computer and audio-visual equipment, and administrative offices, etc. (More detailed information about capital assets can be found in Note 4 to the financial statements) and Total General Fund depreciation expense for the year was \$9,147.

**Table A-7**  
**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Changes in Capital Assets - School Wide**  
**For the Fiscal Year Ended June 30, 2020**

Leasehold Improvements	\$182,948
Equipment	32,533
<b>Total - General Fund</b>	<u><u>\$215,481</u></u>
Less: Accumulated Depreciation	(109,334)
<b>Total - Net Capital Assets General Fund</b>	<u><u>\$106,147</u></u>

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2020**  
**(Unaudited)**

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

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

These and many other factors were considered by the Charter School's administration during the process of developing the fiscal year 2020-21 budget. The primary factors were the Charter School's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs. These indicators were considered when adopting the budget for fiscal year 2020-2021.

**CONTACTING THE HOBOKEN DUAL LANGUAGE CHARTER SCHOOL'S  
FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Hoboken Dual Language Charter School's finances and to demonstrate the Hoboken Dual Language Charter School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Hoboken Dual Language Charter School, 123 Jefferson St, Hoboken, New Jersey 07030.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the Hoboken Dual Language Charter School's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2020.

**SCHOOL-WIDE FINANCIAL STATEMENTS**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Statement of Net Position (Deficit)**  
**As of June 30, 2020**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 251,353	\$ 328,769	\$ 580,122
Receivables- Net	531,493	-	531,493
Security deposit - Rental	91,540	-	91,540
Capital assets, net	106,147	-	106,147
Total Assets	<u>980,533</u>	<u>328,769</u>	<u>1,309,302</u>
<b>Deferred outflows of resources</b>			
Pension deferred outflows	2,480,044		2,480,044
Total assets and deferred outflows of resources	<u>\$ 3,460,577</u>	<u>\$ 328,769</u>	<u>\$ 3,789,346</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 105,799	\$ -	\$ 105,799
Net pension liability - non current	3,755,685		3,755,685
Total liabilities	<u>3,861,484</u>	<u>-</u>	<u>3,861,484</u>
<b>Deferred inflows of resources</b>			
Pension deferred inflows	1,379,462	-	1,379,462
<b>NET POSITION (DEFICIT)</b>			
Invested in capital assets	106,147	-	106,147
Restricted - capital reserve	500,000		500,000
Unrestricted (Deficit) (Note 16)	(2,386,516)	328,769	(2,057,747)
Total Net Position (Deficit)	<u>\$ (1,780,369)</u>	<u>\$ 328,769</u>	<u>\$ (1,451,600)</u>
Total liabilities, deferred inflows and net position (deficit)	<u>\$ 3,460,577</u>		<u>\$ 3,460,577</u>
Fund Balance June 30, 2020 - B-1	\$1,097,356		
Cost of capital assets net accumulated depreciation	106,147		
Net Position before pension adjustments	1,203,503		
Less pension adjustments net (Note 16) (Deficit)	(2,655,103)		
Total Net Position (Deficit) June 30, 2020	<u>(\$1,451,600)</u>		

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2020**

**Exhibit A-2**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Changes in Net Position</b>		<b>Total</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	
Governmental activities:							
Instruction:							
Regular	\$ (2,835,251)		\$ (379,811)		\$ (2,455,440)		\$ (2,455,440)
Support services:	0		0				
General administratration	(1,473,375)		0		\$ (1,473,375)		\$ (1,473,375)
School administrative services/ operations plant serv.	(760,236)				(760,236)		(760,236)
On - behalf TPAF Social Security/Pension/Medical	(460,120)				(460,120)		(460,120)
Capital Outlay	0				-		-
Total governmental activities	<u>(5,528,982)</u>		<u>(379,811)</u>		<u>(5,149,171)</u>		<u>(5,149,171)</u>
Business-type activities:							
Food Service and After School Program	(248,403)	(248,403)				(248,403)	(248,403)
Total business-type activities	<u>(248,403)</u>	<u>(248,403)</u>				<u>(248,403)</u>	<u>(248,403)</u>
Total primary government	<u>\$ (5,777,385)</u>	<u>\$ (248,403)</u>	<u>\$ (379,811)</u>		<u>\$ (5,149,171)</u>	<u>\$ (248,403)</u>	<u>\$ (5,397,574)</u>
General revenues:							
					4,246,850		4,246,850
					473,790		473,790
					653,599	16,198	669,797
					5,794	369,893	375,687
					(9,147)		(9,147)
Total General Revenues, Special Items,					<u>5,370,886</u>	<u>386,091</u>	<u>5,756,977</u>
Change in Net Position (Decrease)					221,715	137,688	359,403
Net change in Pension Liability (Decrease)					(661,555)		(661,555)
Net Position (Deficit) - July 1, 2019					(1,340,529)	191,081	(1,149,448)
Net Position (Deficit) - June 30, 2020					<u>\$ (1,780,369)</u>	<u>\$ 328,769</u>	<u>\$ (1,451,600)</u>

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

## **FUND FINANCIAL STATEMENTS**



**GOVERNMENTAL FUNDS**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Balance Sheet**  
**Governmental Funds**  
**As of June 30, 2020**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 251,353	\$ -	\$ 251,353
Receivables -Net	531,493		531,493
Security deposits	91,540	-	91,540
Total assets	\$ 874,386	\$ -	\$ 874,386
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Due to Districts	68,222		68,222
Accounts payable	37,577	-	37,577
Total liabilities	105,799	-	105,799
Fund Balances:			
Reserved - Capital Reserve	500,000		500,000
Unassigned	268,587		268,587
Total Fund balances	768,587		768,587
Total liabilities and fund balances	\$ 874,386	\$ -	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation

215,481
(109,334)
106,147

Net position before pension adjustments	874,734
---	---------

Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore, are not reported in the fund statements. (See Note 6)	2,480,044
---	-----------

Deferred Inflows related to pension actuarial gains from experience and differences in actual returns and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 6)	(1,379,462)
---	-------------

Long-term liabilities, including net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 6)	(3,755,685)
Net position (deficit) of governmental activities	\$ (1,780,369)

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Local sources:			
Local Share	\$ 4,246,850	\$ -	\$ 4,246,850
State Share	473,790		473,790
Miscellaneous	5,794	160,990	166,784
Total - Local Sources	4,726,434	160,990	4,887,424
State Sources	653,599	-	653,599
Federal Sources		218,821	218,821
Total Revenues	5,380,033	379,811	5,759,844
<b>EXPENDITURES</b>			
Current:			
Regular instruction	\$ 2,455,440	\$ 379,811	\$ 2,835,251
Support services- General Administrative	1,473,375	-	1,473,375
Support Services- School Admin/ operations plant serv	760,236		760,236
On-behalf TPAF Social Security/Pension/Medical	460,120		460,120
Capital outlay	-		-
Total expenditures	5,149,171	379,811	5,528,982
Excess (Deficiency) of revenues over expenditures	230,862	-	230,862
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-		-
Transfers out	-		-
Total other financing sources and uses	-		-
Net change in fund balances Increase	230,862	-	230,862
Fund balance—July 1, 2019	537,724	-	537,724
Fund balance—June 30, 2020	\$ 768,586	\$ -	\$ 768,586

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2020**

**Total net change in fund balances (Increase) - governmental funds (from B-2)** \$ 230,862

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

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

Depreciation expense	\$	(9,147)
Capital outlays		<u>-</u>
	\$	(9,147)

Pension contributions are reported in governmental funds as expenditures; however, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. \$ (661,555)

**Change in net position of governmental activities (Decrease)** \$ (439,840)

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

## **PROPRIETARY FUNDS**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Statement of Net Position**  
**Proprietary Funds**  
**As of June 30, 2020**

	<b>Business-Type Activities</b>				
	<b>Enterprise Fund</b>				
	<b>Food Services Program</b>	<b>After School Program</b>	<b>Summer Camp</b>	<b>Before After Care</b>	<b>TOTAL</b>
Cash and Cash Equivalents	\$ 54,476	\$ 82,639	\$ 51,113	\$ 140,541	\$ 328,769
Intergovernmental Receivable					
Federal	-		-	-	-
State	-	-	-	-	-
	54,476	82,639	51,113	140,541	328,769
Total Assets	\$ 54,476	\$ 82,639	\$ 51,113	\$ 140,541	\$ 328,769
<b>LIABILITIES</b>					
Deferred Revenue	\$ -		\$ -		\$ -
Accounts Payable	-				
Total Current Liabilities	-	-	-	-	-
<b>NET POSITION</b>					
Unrestricted	54,476	82,639	51,113	140,541	328,769
Invested in capital assets, net					
Total Net Position	\$ 54,476	\$ 82,639	\$ 51,113	\$ 140,541	\$ 328,769

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Business-Type Activities</b>				<b>Total Proprietary Fund</b>
	<b>Enterprise Fund</b>				
	<b>Summer Camp</b>	<b>After Care Program</b>	<b>Before &amp; Aftercare</b>	<b>Food Services</b>	
<b>OPERATING REVENUES</b>					
Local Sources					
Daily Sales					
Reimbursable Programs					
After School Revenue	\$64,908	\$77,842	\$149,715	\$77,428	\$369,893
Lunch Revenue				\$0	0
Total Operating Revenues	<u>64,908</u>	<u>77,842</u>	<u>149,715</u>	<u>77,428</u>	<u>369,893</u>
<b>OPERATING EXPENSES</b>					
Salaries, wages and employee benefits	32,725		57,038	25,630	115,393
Purchased Tech Services	10,213	42,518	28,793	360	81,884
Supplies, Materials & Other	1,564	0	2,627	46,935	51,126
Rent	0		0		0
Total Operating Expenses	<u>44,502</u>	<u>42,518</u>	<u>88,458</u>	<u>72,925</u>	<u>248,403</u>
Income (Loss) From Operations	<u>20,406</u>	<u>35,324</u>	<u>61,257</u>	<u>4,503</u>	<u>121,490</u>
<b>Nonoperating Revenues</b>					
State Sources					
State Sources				608	608
Federal Sources					
School Snack Program				0	0
National School Breakfast Program				2,621	2,621
National School Lunch Program				12,969	12,969
Board Subsidy				0	0
Total Nonoperating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,198</u>	<u>16,198</u>
Increase in Net Position	<u>20,406</u>	<u>35,324</u>	<u>61,257</u>	<u>20,701</u>	<u>137,688</u>
Transfer In Subsidy of Food Service				0	0
Total Net Position - Beginning of Year	<u>30,707</u>	<u>47,315</u>	<u>79,284</u>	<u>33,775</u>	<u>191,081</u>
Total Net Position - End of Year	<u>\$51,113</u>	<u>\$82,639</u>	<u>\$140,541</u>	<u>\$54,476</u>	<u>\$328,769</u>

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

**Exhibit B-6**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Business-type</b>
	<b>Activities</b>
	<b>Enterprise Funds</b>
	<b>Food Service and</b>
	<b>After School Program</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Participants	\$ 318,434
Payments to employees and benefits	(115,393)
Payments to suppliers	(133,010)
Net cash provided by (used for) operating activities	<u>70,031</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State and Federal Sources	0
Operating subsidies and transfers to other funds	23,102
Net cash provided by (used for) non-capital financing activities	<u>23,102</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Net cash provided by (used for) investing activities	<u>                    </u>
Net increase (decrease) in cash and cash equivalents	93,133
Cash and Cash Equivalents - beginning of year	235,636
Cash and Cash Equivalents - end of year	<u>\$ 328,769</u>
<b>Reconciliation of operating income (loss) to net cash provided</b>	
<b>(used) by operating activities:</b>	
Operating income (loss)	<u>137,688</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
(Increase) decrease in accounts receivable, net	6,904
(Increase) decrease in accounts payable-net	0
(Increase) decrease in Deferred Revenue	(51,459)
Total adjustments	<u>(44,555)</u>
Net cash provided by (used for) operating activities	<u>\$ 93,133</u>

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



## **FIDUCIARY FUNDS**

**Exhibit B-7**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
Statement of Fiduciary Net Position  
Fiduciary Funds  
As of June 30, 2020**

**NOT APPLICABLE**

**Exhibit B-8**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2020**

**NOT APPLICABLE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Charter School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Charter School also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do no conflict with or contradict GASB pronouncements. The most significant of the Charter School's accounting policies are described below.

**A. Basis of Presentation**

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

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

**Government-Wide Statements**

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

**GASB Pronouncements**

**Recent Accounting Pronouncements Not Yet Effective**

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 "Fiduciary Activities." This statement, which is effective for fiscal periods beginning after December 15, 2019, could have significant effects on the entity's financial reporting and the provisions of this statement could require significant modifications to disclosure requirements.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases." This statement, which is effective for fiscal periods beginning after December 15, 2019, could have significant effects on the entity's financial reporting and the provisions of this statement could require significant modifications to disclosure requirements.

**Fund Financial Statements**

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

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

**B. Fund Accounting**

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

**Governmental Funds**

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

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

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

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

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

**Proprietary Funds**

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

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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

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

**Fiduciary Funds**

**Trust and Agency Funds** - The Trust and Agency Funds are used to account for assets held by the Charter School in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Agency Funds** - Agency Funds are used to account for the assets that the Charter School holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

**C. Measurement Focus**

**Government-Wide Financial Statements**

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

**Fund Financial Statements**

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



**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

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

Fiduciary funds are reported using the economic resources measurement focus.

**D. Basis of Accounting**

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

The Charter School receives a portion of the local tax levy and state aid from school districts based upon the number of enrolled students. The State Department of Education in conjunction with the local Charter School revises the amounts to be received by the Charter School three times a year based upon the enrollment counts on June 1, October 15, and the last day of the school year.

The local tax levy and state aid are susceptible to accrual. The Charter School records the entire anticipated local tax levy to be received at the start of the fiscal year based upon the June 1 enrollment count and certification from the New Jersey State Department of Education, since the revenue is both measurable and available. The Charter School is entitled to receive monies under the established payment schedule, which is revised after each enrollment count date, and the unpaid amount is considered to be an "accounts receivable". At June 30, 2020, the Charter School will have an accounts receivable or accounts payable based upon the current year final enrollment count.

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

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

**E. Budgets/Budgetary Control**

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

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

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

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

**F. Encumbrances**

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

Open encumbrances in the special revenue fund, for which the Charter School has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end. There were \$0 of encumbrances at June 30, 2020. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

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

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

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

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

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

**H. Inventories and Prepaid Expenses**

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

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

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

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

**J. Capital Assets**

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

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

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

<u>Description of Capital Cost</u>	<u>Estimated Lives (Years)</u>
Leasehold improvements	15
Furniture and Equipment	7

**K. Compensated Absences**

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

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

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. The Charter School had a compensated absence liability of \$0 at June 30, 2020.

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities those, once incurred, are paid in a

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

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

**M. Net Position**

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, granters, or laws or regulations of other governments. The Charter School's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**Fund Balance – Governmental Funds**

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

**Nonspendable** - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The Charter School reports the Capital Reserve, Emergency Reserve, Maintenance Reserve and Excess Surplus as Restricted Fund Balance.

**Committed** - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the Charter School's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education. The Charter School reports amounts Designated for Capital Project Fund encumbrances as Committed Fund Balance

**Assigned** - includes amounts that the Charter School intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the Charter School's policy, amounts may be assigned by the Business Administrator. The Charter School reports Year End Encumbrances as Assigned Fund Balance.

**Unassigned** - is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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, the Charter School considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**N. Unearned/Deferred Revenue**

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

**O. Fund Equity**

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

**P. Use of Estimates**

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

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

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Charter School's deposits might not be recovered. Although the Charter School does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Charter School in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the Charter School relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. As of June 30, 2020, the Charter School's cash balance was insured for \$250,000 by the FDIC and the remaining balance was subject to the provisions of the GUDPA.

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

**Investments**

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

As of June 30, 2020, the Charter School had no investments.

**4. LONG-TERM LEASES**

The school leases its premises under the terms of non-cancelable leases. Rent expense for the year ended June 30, 2020 amounted to \$548,817. A total of \$321,996 in the General Fund and \$218,821 in the Special Revenue Fund.

Future minimum rental commitments amount to \$1,698,796 for base rent under the leases are summarized as follows:

<b>Year Ended 6-30</b>	<b>Boys and Girls Club</b>	<b>Hopes Community Action PTR</b>
2021	\$122,676	\$439,872
2022	126,357	439,872
2023	130,147	439,872
2024	-0-	-
Totals	<u>\$379,180</u>	<u>\$1,319,616</u>

**5 PENISON PLANS**

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**5 PENISON PLANS (continued)**

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

The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the School and the systems other related non-contributing employers.

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

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

The public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State of New Jersey or any county, municipality, School, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

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

**Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A 43:15a and 43:03B and N.J.S.A. 18A: for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirements benefits for age and service are available at age 55 and are generally determine to be 1/55 of the final average salary for each year of service credit as defined.

Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

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



**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**5 PENISON PLANS (continued)**

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

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

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

**Funding Changes** - Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF.

The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2019 for PERS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

**COLA Suspension**

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

**Contribution Requirements**

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

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

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

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**5 PENISON PLANS (continued)**

**Annual Pension Costs (APC)**

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

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

The School's contribution to PERS for the year ended June 30, 2017 was \$202,746.

In accordance with N.J.S.A 18A:66-66 the School recorded as revenue for the year ended June 30, 2019 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries in the amount of \$93,287. Also the State paid \$367,561 into the TPAF pension representing on-behalf employer's portion of the TPAF Pension System Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long Term Disability Insurance Premium Contributions for the School. These amounts have been included in the school wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**6 PENSION PLANS – GASB 68 DISCLOSURES**

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

***Summary of Significant Accounting Policies***

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

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

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

The employer contributions for the Charter School are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the Charter School (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the Charter School (employer) does not contribute directly to the

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

plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the Charter School. However, the state's portion of the net pension liability that was associated with the Charter School was \$6,768,560 as measured on June 30, 2019 and \$5,324,531 as measured on June 30, 2018.

For the year ended June 30, 2020, the Charter School recognized pension expense of \$399,228 and revenue of \$399,228 for support provided by the State. The measurement period for the pension expense and revenue reported in the Charter School's financial statements (A-2) at June 30, 2020 is based upon changes in the collective net pension liability with a measurement period of June 30, 2019 through June 30, 2018. Accordingly, the pension expense and the related revenue associated with the support provided by the State are based upon the changes in the collective net pension liability between July 1, 2018 and June 30, 2019.

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

**Collective Net Pension Liability**

***Component of Net Pension Liability***

The components of the collective net pension liability of the participating employers as of June 30, 2019 were as follows:

Total pension liability	\$84,215,846,719
Plan fiduciary net position	<u>22,696,734,276</u>
Net pension liability	<u>\$61,519,112,443</u>
Plan fiduciary net position as a percentage of the total pension liability	26.95%

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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**6 PENSION PLANS – GASB 68 DISCLOSURES (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 1, 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 real 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:

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**6 PENSION PLANS – GASB 68 DISCLOSURES (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%
US 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 made based on 70% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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 Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability of the State as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

<b>At 1% decrease</b>	<b>At current discount rate</b>	<b>At 1% increase</b>
<b>(4.60%)</b>	<b>(5.60%)</b>	<b>(6.60%)</b>
\$72,544,649,801	61,519,112,443	52,371,397,951

***Collective Deferred Outflows of Resources and Deferred Inflows of Resources***

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2019:

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

	Year of deferral	Amortization period	Beginning of year Balance	Additions	Deductions	End of year Balance
<b>Deferred Outflows of Resources:</b>						
Differences between expected and actual experience	2015	8.30 years	\$ 189,214,650	---	44,003,407	145,211,243
	2017	8.30 years	179,419,108	---	28,479,224	150,939,884
	2018	8.29 years	1,051,605,259	---	144,253,122	907,352,137
Subtotal			1,420,239,017	---	216,735,753	1,203,503,264
Changes of assumptions	2014	8.50 years	1,076,424,469	---	307,549,848	768,874,621
	2015	8.30 years	3,063,649,492	---	712,476,627	2,351,172,865
	2016	8.30 years	6,913,685,892	---	1,304,469,036	5,609,216,856
Subtotal			11,053,759,853	---	2,324,495,511	8,729,264,342
Total Deferred Outflows			\$ 12,473,998,870	---	2,541,231,264	9,932,767,606
<b>Deferred Inflows of Resources:</b>						
Differences between expected and actual experience	2014	8.50 years	10,252,211		2,929,202	7,323,009
	2016	8.30 years	85,977,601		16,222,189	69,755,412
	2019	8.04 years	---	155,621,840	19,355,950	136,265,890
Subtotal			96,229,812	155,621,840	38,507,341	213,344,311
Changes of assumptions	2017	8.30 years	10,084,192,916	---	1,600,665,542	8,483,527,374
	2018	8.29 years	5,994,557,085	---	822,298,640	5,172,258,445
	2019	8.04 years	---	4,005,548,119	498,202,502	3,507,345,617
Subtotal			16,078,750,001	4,005,548,119	2,921,166,684	17,163,131,436
Differences between projected on pension plan investments	2015	5 years	(192,642,062)	---	(192,642,062)	---
	2016	5 years	(863,710,385)	---	(431,855,193)	(431,855,192)
	2017	5 years	678,024,787	---	226,008,263	452,016,524
	2018	5 years	384,121,486	---	96,030,371	288,091,115
	2019	5 years	---	(181,103,464)	(36,220,693)	(144,882,771)
Subtotal			5,793,826	(181,103,464)	(338,679,314)	163,369,676
Total Deferred Inflows			\$ 16,180,773,639	3,980,066,495	2,620,994,711	17,539,845,423

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:

Year ending June 30:	
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)
Total	<u>\$(7,607,077,817)</u>

***Pension Expense***

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the year ending June 30, 2019 are as follows:

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

Service cost	\$1,882,081,572
Interest on total pension liability	4,201,672,382
Member contributions	(846,166,328)
Administrative expense	13,922,385
Expected investment return net of investment expenses	(1,542,884,759)
Pension expense related to specific liabilities of individual employers	(300,112)
Recognition (amortization) of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	178,228,412
Recognition of assumption changes or inputs	(596,671,173)
Recognition of investment gains or losses	338,679,314
Total pension expense	\$3,628,561,693

***Pension Plan Fiduciary Net Position***

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

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

***Summary of Significant Accounting Policies***

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

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

At June 30, 2020, the Charter School reported a liability of \$3,755,685 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 was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019.

The Charter School’s proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2019. At June 30, 2019, the Charter School’s proportion was .020843%.

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

For the year ended June 30, 2020, the Charter School recognized pension expense of \$883,613. At June 30, 2020, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 67,410	\$ 16,591
Changes of assumptions	375,019	1,303,586
Net difference between projected and actual earnings on pension plan investments	-0-	59,285
Changes in proportion and differences between Charter School contributions and proportionate share of contributions	1,834,869	-0-
Charter School contributions subsequent to the measurement date.	202,746	-0-
Total	\$2,480,044	\$1,379,462

The Charter School reported \$202,746 as deferred outflows of resources related to pensions resulting from school Charter School contributions subsequent to the measurement date (i.e. for the school year ended June 30, 2020, the plan measurement date was June 30, 2019) will be recognized as a reduction of the net pension liability measured as of June 30, 2020.

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

	<b>Year Ended June 30:</b>
2020	(\$22,608)
2021	(58,447)
2022	(52,330)
2023	(100,947)
2024	(197,625)
Total:	(\$431,957)



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

**Collective Net Pension Liability**

*Component of Net Pension Liability*

The components of the collective net pension liability of the participating employers as of June 30, 2019 are as follows:

	<b>State</b>	<b>Local</b>	<b>Total</b>
Total pension liability	\$29,512,766,255	\$41,491,463,886	\$71,004,230,141
Plan fiduciary net position	6,500,345,915	23,347,631,751	29,847,977,666
Net pension liability	\$23,012,420,340	\$18,143,832,135	\$41,156,252,475

*Actuarial Assumptions*

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
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**6 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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:

<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%
US 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 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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
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**6 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employers 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 Collective Net Pension Liability to Changes in the Discount Rate***

The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<b>At 1% decrease (4.66%)</b>	<b>At current discount rate (5.66%)</b>	<b>At 1% increase (6.66%)</b>
State	\$26,475,719,181	\$23,012,420,340	\$20,102,167,445
Local	22,918,608,260	18,143,832,135	14,120,406,763
Total	\$49,394,327,441	\$41,156,252,475	\$34,222,574,208

***Collective Deferred Outflows of Resources and Deferred Inflows of Resources***

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2019:

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
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**6 PENSION PLANS – GASB 68 DISCLOSURES (continued)**

	Year of deferral	Amortization period	Beginning of year Balance	Additions	Deductions	End of year Balance
Deferred Outflows of Resources:						
State:						
Differences between expected and actual experience	2015	5.72 years	\$ 120,822,485	---	70,245,632	50,576,853
	2016	5.57 years	204,825,863	---	79,698,780	125,127,083
	2017	5.48 years	86,974,603	---	24,992,702	61,981,901
Subtotal			412,622,951	---	174,937,114	237,685,837
Changes of assumptions	2014	6.44 years	117,496,263	---	81,594,626	35,901,637
	2015	5.72 years	526,944,282	---	306,362,955	220,581,327
	2016	5.57 years	1,671,733,235	---	650,479,859	1,021,253,376
Subtotal			2,316,173,780	---	1,038,437,440	1,277,736,340
Differences between projected and actual investment earnings on pension plan investments	2015	5 years	85,258,264	---	85,258,264	---
	2016	5 years	267,616,692	---	133,808,347	133,808,345
	2017	5 years	(192,255,103)	---	(64,085,035)	(128,170,068)
	2018	5 years	(93,581,177)	---	(23,395,294)	(70,185,883)
	2019	5 years	---	108,525,199	21,705,040	86,820,159
Subtotal			67,038,676	108,525,199	153,291,322	22,272,553
Subtotal State			2,795,835,407	108,525,199	1,366,665,876	1,537,694,730
Local:						
Differences between expected and actual experience	2015	5.72 years	195,150,881	---	113,459,816	81,691,065
	2016	5.57 years	72,386,473	---	28,165,943	44,220,530
	2017	5.48 years	107,944,381	---	31,018,501	76,925,880
	2019	5.21 years	---	149,209,849	28,639,126	120,570,723
Subtotal			375,481,735	149,209,849	201,283,386	323,408,198
Changes of assumptions	2014	6.44 years	155,843,811	---	108,224,870	47,618,941
	2015	5.72 years	703,384,183	---	408,944,294	294,439,889
	2016	5.57 years	2,385,275,715	---	928,122,846	1,457,152,869
Subtotal			3,244,503,709	---	1,445,292,010	1,799,211,699
Subtotal Local			3,619,985,444	149,209,849	1,646,575,396	2,122,619,897
Total deferred outflows or resources			\$ 6,415,820,851	257,735,048	3,013,241,272	3,660,314,627

	Year of deferral	Amortization period	Beginning of year Balance	Additions	Deductions	End of year Balance
Deferred Outflows of Resources:						
State:						
Differences between expected and actual experience	2018	5.63 years	197,745,433	---	42,709,597	155,035,836
	2019	5.21 years	---	12,049,899	2,312,840	9,737,059
Subtotal			197,745,433	12,049,899	45,022,437	164,772,895
Changes of assumptions	2017	5.48 years	2,820,321,235	---	810,437,137	2,009,884,098
	2018	5.63 years	1,950,565,161	---	421,288,372	1,529,276,789
	2019	5.21 years	---	1,331,575,936	255,580,794	1,075,995,142
Subtotal			4,770,886,396	1,331,575,936	1,487,306,303	4,615,156,029
Subtotal State			4,968,631,829	1,343,625,835	1,532,328,740	4,779,928,924
Local:						
Differences between expected and actual experience	2018	5.63 years	101,525,444	---	21,927,742	79,597,702
Subtotal			101,525,444	---	21,927,742	79,597,702
Changes of assumptions	2017	5.48 years	3,629,610,513	---	1,042,991,527	2,586,618,986
	2018	5.63 years	2,666,045,055	---	575,819,666	2,090,225,389
	2019	5.21 years	---	1,951,972,924	374,658,911	1,577,314,013
Subtotal			6,295,655,568	1,951,972,924	1,993,470,104	6,254,158,388
Differences between projected and actual investment earnings on pension plan investments	2015	5 years	(118,977,340)	---	(118,977,340)	---
	2016	5 years	(665,141,404)	---	(332,570,701)	(332,570,703)
	2017	5 years	598,659,958	---	199,553,320	399,106,638
	2018	5 years	370,147,142	---	92,536,786	277,610,356
	2019	5 years	---	(74,646,907)	(14,929,381)	(59,717,526)
Subtotal			184,688,356	(74,646,907)	(174,387,316)	284,428,765
Subtotal Local			6,581,869,368	1,877,326,017	1,841,010,530	6,618,184,855
Total deferred inflows of resources			11,550,501,197	3,220,951,852	3,373,339,270	11,398,113,779

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

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

	<u>State</u>	<u>Local</u>	<u>Total</u>
Year ending			
June 30:			
2020	\$(402,064,526)	(520,291,557)	(922,356,083)
2021	(1,156,909,505)	(1,687,816,332)	(2,844,725,837)
2022	(1,100,595,185)	(1,507,121,650)	(2,607,716,835)
2023	(528,507,313)	(707,671,269)	(1,236,178,582)
2024	(54,157,665)	(72,664,150)	(126,821,815)
Total	<u>\$(3,242,234,194)</u>	<u>(4,495,564,958)</u>	<u>(7,737,799,152)</u>

***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.

***Pension Expense***

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for State and local employers for the year ending June 30:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service cost	\$526,757,589	\$803,761,000	\$1,330,518,589
Interest on total pension liability	1,701,980,100	2,382,273,210	4,084,253,310
Member contributions	(355,581,371)	(553,610,183)	(909,191,554)
Administrative expense	6,593,343	14,664,098	21,257,441
Expected investment return net of investment expenses	(446,287,688)	(1,478,181,305)	(1,924,468,993)
Pension expense related to specific liabilities of individual employers	(237,877)	(6,923,099)	(7,160,976)
Current period recognition (amortization) of deferred outflows and inflows of resources:			
Differences between expected and actual experience	129,914,677	179,355,644	309,270,321
Changes of assumptions	(448,868,863)	(548,178,094)	(997,046,957)
Differences between projected and actual investment earnings on pension plan investments	153,291,322	174,387,316	327,678,638
Total pension expense	<u>\$1,267,561,232</u>	<u>\$967,548,587</u>	<u>\$2,235,109,819</u>

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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

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

The following presents the Charter School’s proportionate share of the net pension liability measured as of June 30, 2019 and 2018, respectively, calculated using the discount rate of 5.60% and 5.66%, respectively, as well as what the Charter School’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>2018</b>		
	<b>1% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
Charter School’s proportionate share of the net pension liability	\$4,189,102	\$3,560,108	\$2,924,272
	<b>2019</b>		
	<b>1% Decrease (4.60%)</b>	<b>Current Discount Rate (5.60%)</b>	<b>1% Increase (6.60%)</b>
Charter School’s proportionate share of the net pension liability	\$4,431,708	\$3,755,685	\$3,079,662

***Pension Plan Fiduciary Net Position***

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

**7 POST RETIREMENT BENEFITS**

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

**General Information about the OPEB Plan**

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 year of service or on a disability retirement. Under the provision of Chapter 126, P .L. 1992, the State also provides employer-paid coverage to members of

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**7 POST RETIREMENT BENEFITS (continued)**

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. 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.

*Total OPEB Liability*

The State, a nonemployer contributing entity, is the only entity that have a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees.

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**7 POST RETIREMENT BENEFITS (continued)**

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability	\$41,729,081,045		
Inflation rate	2.50%		
	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary increases:			
Through 2026	1.55 - 3.05%	2.00 - 6.00%	3.25 - 15.25%
	based on service years	based on service years	based on service years
Thereafter	1.55 - 3.05%	3.00 - 7.00%	Applied to all
	based on service years	based on service years	future years

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 actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectively.

**(a) Health Care Trend Assumptions**

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%.



**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**7 POST RETIREMENT BENEFITS (continued)**

**(b) Discount rate**

The discount rate for June 30, 2019 was 3.5%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**(c) Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2019, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1 -percentage point higher than the current rate:

<b>At 1% decrease (2.50%)</b>	<b>At current rate (3.50%)</b>	<b>At 1% increase (4.50%)</b>
\$49,298,534,898	\$41,729,081,045	\$35,716,321,820

**(d) Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2018 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1 -percentage point lower or 1 -percentage point higher than the current rate:

<b>1% decrease</b>	<b>Healthcare cost trend rate</b>	<b>1% increase</b>
\$34,382,902,820	\$41,729,081,045	\$51,453,912,586

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

For the fiscal year ended June 30, 2020 the Charter School recognized OPEB expense of \$555,220 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**7**     **POST RETIREMENT BENEFITS (continued)**

In accordance with GASB Statement 75, as the Charter School's proportionate share of the OPEB liability is \$2,396,756 there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources.

**8**     **COMPENSATED ABSENCES**

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

Charter School employees are granted varying amounts of vacation and sick leave in accordance with the Charter School's personnel policy. The Charter School's policy permits employees to accumulate unused sick and personal days and carry forward the full amount to subsequent years. Upon termination or upon retirement, employees are currently not paid for accrued vacation or unused sick and personal days.

As of June 30, 2020, Charter School-wide compensated absences amounted to \$-0-.

**9**     **DEFERRED COMPENSATION**

The Charter School offers its employees a deferred compensation plan created in accordance with the IRS code 403(b). The plan permits participants to defer a portion of their salaries until future years.

**10**    **ECONOMIC DEPENDENCY**

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

**11**    **CONTINGENT LIABILITIES**

The Charter School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government.

If expenditures are disallowed due to noncompliance with grant program regulations, the Charter School may be required to reimburse the grantor government. As of June 30, 2020, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Charter School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Charter School.

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**11 CONTINGENT LIABILITIES (continued)**

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

**12 RISK MANAGEMENT**

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

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

**13 RECEIVABLES**

Receivables as of 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 are as follows:

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Proprietary Fund</u></b>	<b><u>Totals</u></b>
Receivables:				
Accounts	<u>\$531,493</u>	<u>\$0</u>	<u>\$0</u>	<u>\$531,493</u>

**14 CAPITAL ASSETS**

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2020:

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**14. CAPITAL ASSETS (continued)**

	Beginning Balance <u>June 30, 2019</u>	Net Additions (Deletions)	Ending Balance <u>June 30, 2020</u>
<b>Governmental Activities</b>			
<b>Capital assets, being depreciated:</b>			
Leasehold improvements	\$182,948	---	\$182,948
Equipment	32,533	---	32,533
Total capital assets being depreciated	<u>\$215,481</u>	<u>\$0</u>	<u>\$215,481</u>
Less accumulated depreciation for:			
Leasehold improvements	\$67,654	\$9,147	\$76,801
Equipment	32,533	---	32,533
Total accumulated depreciation	<u>\$100,187</u>	<u>\$9,147</u>	<u>\$109,334</u>
Total capital assets net	<u>\$115,294</u>	<u>(\$9,147)</u>	<u>\$106,147</u>

Depreciation expense of \$9,147 was charged to an unallocated function.

**15. CAPITAL RESERVE**

During the year ended June 30, 2020, the HOLA Board of Trustees approved the appropriation of up to \$500,000 of the unrestricted surplus for capital reserve allocation. The reserve is to be used for the acquisition of a school facility.

**16. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the Government-wide statement of net position.

One element of that reconciliation explains that long-term liabilities, including deferred pension liability are not due and payable in the current period and therefore are not reported in the funds. The reconciliation is as follows:

Fund balance per B-1	\$768,587
Cost of capital assets, net accumulated depreciation	106,147
Pension deferred outflows	2,480,044
Pension deferred inflows	(1,379,462)
Deferred pension liability as of June 30, 2020	(3,755,685)
Net position (Deficit) (per A-1) as of June 30, 2020	<u>(\$1,780,369)</u>

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**17. RELATED PARTIES AND GRANTS**

The Friends of HOLA provided grant monies to subsidize the operations of the school for the year ended June 30, 2020 in the amount of \$218,821. The Grant Activity is reflected in the Special Revenue Fund.

**18. SUBSEQUENT EVENTS**

The Charter School has evaluated subsequent events occurring after the financial statement date through December 22, 2020 which is the date the financial statements were available to be issued. Based upon this evaluation, the Charter School has determined that the following subsequent events needed to be disclosed:

Subsequent to the date of these Financial Statements the COVID-19 Corona Virus has continued to spread across the State of New Jersey and the Nation as a whole. The impact of this virus on the Charter School's operations in Fiscal Year 2021 cannot be reasonably estimated at this time but may negatively affect revenues.

The Charter School entered into a line of credit with BCB Bank at a prime rate + 1%. Origination and application fees of \$3,600 were paid in connection with the line of credit. No amounts had been drawn on the line of credit as of December 22, 2020.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For The Fiscal Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Share	\$ 4,802,596	\$ (81,956)	\$ 4,720,640	\$ 4,246,850	\$ 473,790
State Share	-	0	0	473,790	(473,790)
Miscellaneous	-	93,353	93,353	5,794	87,559
Total - Local Sources	<u>4,802,596</u>	<u>11,397</u>	<u>4,813,993</u>	<u>4,726,434</u>	<u>87,559</u>
Special Education	54,368	(4,628)	49,740	125,170	(75,430)
Jersey City Payroll Reimbursement	-	-	-	18,569	(18,569)
Security Aid	131,939	(6,769)	125,170	49,740	75,430
TPAF LT Disability (On-Behalf - Non-Budgeted)	-	-	-	787	(787)
TPAF Medical (On-Behalf - Non-Budgeted)	-	-	-	99,193	(99,193)
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	267,381	(267,181)
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	92,759	(92,759)
Total State Sources	<u>186,307</u>	<u>(11,397)</u>	<u>174,910</u>	<u>653,599</u>	<u>(478,489)</u>
<b>Total Revenues</b>	<u>4,988,903</u>	<u>-</u>	<u>4,988,903</u>	<u>5,380,033</u>	<u>(390,930)</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Teachers Salary	1,454,747	512,116	1,966,863	1,950,628	16,235
Other Salaries	273,541	(70,435)	203,106	199,049	4,057
Prof/Tech Services	73,190	-	73,190	47,137	26,053
Other Purchased Services (400-500 series)	34,637	2,083	36,720	30,678	6,042
General Supplies	93,758	26,902	120,660	116,849	3,811
Textbooks	29,150	34,865	64,015	64,015	0
Other Objects	45,100	3,517	48,617	47,084	1,533
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>2,004,123</u>	<u>509,048</u>	<u>2,513,171</u>	<u>2,455,440</u>	<u>57,731</u>



**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For The Fiscal Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Support Services - General Administrative</b>					
Salaries of Administrative Salaries	906,303	(371,540)	534,763	529,463	5,300
Salaries of Secretarial and Clerical Assistants	129,242	(42,000)	87,242	82,346	4,896
Cost of Benefits	748,643	5,722	754,365	734,767	19,598
Consultants	30,000	12,958	42,958	42,958	-
Other Purchased Services (400-500 series)	123,000	(67,196)	55,804	25,550	30,254
Communications/Telephone	16,000	-	16,000	9,494	6,506
Supplies and Materials	9,000	-	9,000	4,632	4,368
Other Objects	13,000	31,165	44,165	44,165	-
	<u>1,975,188</u>	<u>(430,891)</u>	<u>1,544,297</u>	<u>1,473,375</u>	<u>70,922</u>
<b>Support Services - School Admin/Operation Plant Services</b>					
Salaries	111,725	13,856	125,581	125,581	-
Purchased Professional and Technical Services	143,937	(20,000)	123,937	116,798	7,139
Other Purchased Services	59,748	4,835	64,583	60,746	3,837
Rental of Land and Building- other than Lease Purchase Agreements	580,183	(105,949)	474,234	321,996	152,238
Insurance	86,100	26,975	113,075	110,580	2,495
General Supplies	27,899	2,126	30,025	24,535	5,490
Transportation- Trips	-	-	-	-	-
Energy (Energy and Electricity)	-	-	-	-	-
Other Objects	-	-	-	-	-
	<u>1,009,592</u>	<u>(78,157)</u>	<u>931,435</u>	<u>760,236</u>	<u>171,199</u>
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>					
<b>Food Service and After Care Program</b>					
Other Purchased Services	-	-	-	-	-
<b>Total Food Services</b>	-	-	-	-	-
On-behalf TPAFLT Disability Contributions (non-budgeted)				787	(787)
On-behalf TPAF Medical Contributions (non-budgeted)				99,193	(99,193)
On-behalf TPAF Pension Contributions (non-budgeted)				267,381	(267,381)
Reimbursed TPAF Social Security Contributions (non-budgeted)			-	92,759	(92,759)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	-	-	-	<u>460,120</u>	<u>(460,120)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>					
	2,984,780	(509,048)	2,475,732	2,693,731	(217,999)
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>4,988,903</u>	<u>-</u>	<u>4,988,903</u>	<u>5,149,171</u>	<u>(160,268)</u>

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For The Fiscal Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Instructional Equipment	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-
Building Improvements	-	-	-	-	-
<b>Total Equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES- GENERAL FUND</b>	4,988,903	-	4,988,903	5,149,171	(160,268)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>		<u>-</u>	230,862	(230,662)
<b>Other Financing Sources:</b>					
<b>Operating Transfer In:</b>		-	-	-	-
<b>Total Other Financing Sources:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	230,862	(230,662)
<b>Fund Balance, July 1, 2019</b>	<u>-</u>	<u>-</u>	537,724	537,724	
<b>Fund Balance, June 30, 2020</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 537,724</u>	<u>\$ 768,586</u>	<u>\$ (230,662)</u>

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2020**

Exhibit C-2  
Page 1

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources	\$ 218,821		\$ 164,963	\$ 164,963	
State Sources	-		-	-	
Federal Sources	160,990		170,518	170,518	
<b>Total Revenues</b>	<u>379,811</u>		<u>335,481</u>	<u>335,481</u>	
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	75,000		75,000	75,000	
Other Salaries for Instruction	-		-	-	
Purchased Professional -Educational Services	61,725		59,063	59,063	
Purchased Professional and Technical Services	-		-	-	
Transportation	-		-	-	
Other Purchased Services (400-500 series)	218,821		142,322	142,322	
Travel	-		-	-	
General Supplies	-		29,358	29,358	
Personal Services- Employee Benefits	24,265		29,738	29,738	
Textbooks	-		-	-	
Building Improvements	-		-	-	
Instructional Equipment	-		-	-	
<b>Total Instruction</b>	<u>379,811</u>		<u>335,481</u>	<u>335,481</u>	
<b>Support Services</b>					
Salaries of Supervisor of Instruction	-		-	-	
Salaries of Program Directors	-		-	-	
Salaries of Other Personal Service	-		-	-	
Salaries of Secretaries & Clerical Assistants	-		-	-	
Other Salaries	-		-	-	
Personal Services - Employee Benefits	-		-	-	
Purchased Professional - Educational Services	-		-	-	
Professional Development	-		-	-	
Supplies	-		41,023	41,023	
Field Trips	-		-	-	
Scholarships	-		-	-	
Rent	-		131,613	131,613	
Travel	-		-	-	
Other purchased Services (400-500 series)	-		-	-	
Building Improvements	-		-	-	
<b>Total Support Services</b>	<u>-</u>		<u>172,636</u>	<u>172,636</u>	

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Buildings Improvements					
Instructional Equipment					
Noninstructional Equipment					
<b>Total Facilities Acquisition and Construction Services</b>					
<b>Transfer to Charter School</b>					
Total Expenditures	379,811		379,811	379,811	
<b>Other Financing Sources (Uses)</b>					
Transfer in from General Fund					
Transfer Out to Whole School Reform (General Fund)					
<b>Total Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>					
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>					

**NOTES TO REQUIRED SUPPLEMENTARY  
INFORMATION**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to RSI**  
**For the Fiscal Year Ended June 30, 2020**

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

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**SCHEDULE OF CHARTER SCHOOL CONTRIBUTIONS - PERS**  
**FOR THE FISCAL YEARS ENDED JUNE 30\***  
**(UNAUDITED)**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Charter School Proportion of the net pension liability (asset)	0.020845%	0.012243%	0.005838%	0.008723%	0.00568%	0.00351%
Charter School Proportionate share of the net pension liability (asset)	3,755,685	3,560,108	3,328,152	2,583,406	1,275,517	838,404
Charter School Covered employee payroll	\$1,181,955	\$1,345,867	\$1,145,293	\$804,787	\$346,400	\$195,578
Charter School Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	317.7%	264.5%	290.5%	321.0%	368.2%	428.6%
Plan fiduciary net position as a percentage of the total pension liability	31.5%	37.8%	40.7%	44.3%	31.8%	23.3%

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
SCHEDULE OF CHARTER SCHOOL CONTRIBUTIONS - PERS  
FOR THE FISCAL YEARS ENDED JUNE 30\*  
(UNAUDITED)**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$202,746	\$183,337	\$141,528	\$87,201	\$48,837	\$36,916
Contributions in relation to the contractually required contribution	(202,746)	(183,337)	(141,528)	(87,201)	(48,837)	(36,916)
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Charter School Covered employee payroll	\$1,111,558	\$1,345,867	\$1,145,293	\$804,787	\$346,400	\$195,578
Contributions as a percentage of covered employee payroll	18.2%	13.6%	12.3%	10.8%	14.1%	18.8%

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



**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
SCHEDULE OF THE CHARTER SCHOOL PROPORTIONATE SHARE  
OF NET PENSION LIABILITY - TPAF  
FOR THE FISCAL YEARS ENDED JUNE 30  
(UNAUDITED)**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Charter School Proportion of the net pension liability (asset)**	N/A	N/A	N/A	N/A	N/A	N/A
Charter School Proportionate share of the net pension liability (asset)**	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the Charter School	9,779,300	5,324,531	5,419,428	5,779,012	4,762,913	1,877,229
Total	<u>9,779,300</u>	<u>5,324,531</u>	<u>5,419,428</u>	<u>5,779,012</u>	<u>4,762,913</u>	<u>1,877,229</u>
Charter School Covered employee payroll	1,230,190	1,273,095	1,065,900	772,779	777,816	338,585
Charter School Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	25.4%	22.3%	28.7%	33.64%

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
PENSION SCHEDULES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)**

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

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

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

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

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

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (TPAF AND PERS)  
(UNAUDITED)  
Fiscal Years\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>The State of New Jersey's Total OPEB Liability</u></b>			
Service Cost	\$1,734,404,850	\$1,984,642,729	\$2,391,878,884
Interest	1,827,787,206	1,970,236,232	1,699,441,736
Change in Benefit Terms			
Difference Between Expected and Actual Experience	(7,323,140,818)	(5,002,065,740)	
Benefit Payment	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)
Contributions from Members	37,971,171	42,614,005	45,748,749
Changes of Assumptions or other inputs	622,184,027	(5,291,448,855)	(7,086,599,129)
<b>Net change in total OPEB liability</b>	<b>(\$4,381,751,937)</b>	<b>(\$7,529,008,876)</b>	<b>(\$4,191,942,326)</b>
<b>Total OPEB Liability - Beginning</b>	<b>\$46,110,832,982</b>	<b>\$53,639,841,858</b>	<b>\$57,831,784,184</b>
<b>Total OPEB Liability - Ending</b>	<b>\$41,729,081,045</b>	<b>\$46,110,832,982</b>	<b>53,639,841,858</b>
<b>The State of New Jersey's total OPEB liability**</b>	<b>\$41,729,081,045</b>	<b>\$46,110,832,982</b>	<b>\$53,639,841,858</b>
<b>The State of New Jersey's OPEB liability attributable to the Charter School</b>	<b>\$2,396,756</b>	<b>\$217,250</b>	<b>\$2,500,558</b>
<b>The Charter School's proportionate share of the total OPEB liability</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Charter School's covered employee payroll</b>	<b>\$2,412,145</b>	<b>\$2,627,962</b>	<b>\$2,250,718</b>
<b>Total Charter School's OPEB liability as a percentage of its covered-employee payroll</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Charter School's contribution</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>State's covered employee payroll</b>	<b>\$13,929,083,479</b>	<b>\$13,640,275,833</b>	<b>\$13,493,400,208</b>
<b>Total State's OPEB liability as a percentage of its covered-employee payroll</b>	<b>300.00%</b>	<b>338.05%</b>	<b>397.53%</b>

\*\*Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

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

## **SPECIAL REVENUE FUND**

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures- Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2020**

	<b>TOTAL</b>	<b>IDEA Pre-K</b>	<b>IDEA PART B-Basic</b>	<b>TITLE IA</b>	<b>Friends of HOLA</b>
<b>REVENUES</b>					
Intergovernmental					
State					
Federal	160,990	1,252	60,473	99,265	
Other Sources					
Miscellaneous	218,821				218,821
Total Revenues	<u>379,811</u>	<u>1,252</u>	<u>60,473</u>	<u>99,265</u>	<u>218,821</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries	75,000			75,000	
Other Purchased Services	218,821				218,821
Purchased Prof. and Tech.and Edu Services	61,725	1,252	60,473		
Profession					
General Supplies					
Personal Services - Employee Benefits	24,265			24,265	
Field trip transportation					
Other Objects					
Textbooks					
Building Improvements	0				
Total Instruction	<u>379,811</u>	<u>1,252</u>	<u>60,473</u>	<u>99,265</u>	<u>218,821</u>
Support Services					
Salaries of Supervisors of Instruction					
Salaries of Personal Service					
Salaries of Other Prof. Staff					
Salaries of Secretarial and Clerical Ass't					
Personal Services - Employee Benefits					
Supplies and Materials					
Other Purchased Services					
Professional Development					
Class- room Improvements					
Building Improvements					
Rent					
Non instructional Equipment					
Total Support Services					
<b>TOTAL EXPENDITURES</b>	<u><u>379,811</u></u>	<u><u>1,252</u></u>	<u><u>60,473</u></u>	<u><u>99,265</u></u>	<u><u>218,821</u></u>

## **PROPRIETARY FUNDS**

## **ENTERPRISE FUND**

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

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Proprietary Fund**  
**Statement of Net Position**  
**As of June 30, 2020**

<b>Business-Type Activities</b>					
<b>Enterprise Fund</b>					
	<b>Food Services Program</b>	<b>After School Program</b>	<b>Summer Camp</b>	<b>Before After Care</b>	<b>TOTAL</b>
<b>ASSETS</b>					
Current Assets					
Cash and Cash Equivalents	\$ 54,476	\$ 82,639	\$ 51,113	\$ 140,541	\$ 328,769
Intergovernmental Receivable					
Federal	-	-	-	-	-
State	-	-	-	-	-
Total Current Assets	54,476	82,639	51,113	140,541	328,769
Total Assets	\$ 54,476	\$ 82,639	\$ 51,113	\$ 140,541	\$ 328,769
<b>LIABILITIES</b>					
Deferred Revenue	\$ -	\$ -	\$ -	-	-
Accounts Payable	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-
Net Position					
Unrestricted	54,476	82,639	51,113	140,541	328,769
Invested in capital assets, net	-	-	-	-	-
Total Net Position	\$ 54,476	\$ 82,639	\$ 51,113	\$ 140,541	\$ 328,769



**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Business-Type Activities</u>			<u>Enterprise Fund</u>	<u>Total Proprietary Fund</u>
	<u>Summer Camp</u>	<u>After Care Program</u>	<u>Before &amp; Aftercare</u>		
<b>OPERATING REVENUES</b>					
Local Sources					
Daily Sales - Reimbursable Programs					
After School Revenue	\$64,908	\$77,842	\$149,715	\$77,428	\$369,893
Lunch Revenue				\$0	0
Total Operating Revenues	<u>64,908</u>	<u>77,842</u>	<u>149,715</u>	<u>77,428</u>	<u>369,893</u>
<b>OPERATING EXPENSES</b>					
Salaries, wages and employee benefits	32,725		57,038	25,630	115,393
Purchased Tech Services	10,213	42,518	28,793	360	81,884
Supplies, Materials & Other	1,564	0	2,627	46,935	51,126
Rent	0		0		0
Total Operating Expenses	<u>44,502</u>	<u>42,518</u>	<u>88,458</u>	<u>72,925</u>	<u>248,403</u>
Income (Loss) From Operations	<u>20,406</u>	<u>35,324</u>	<u>61,257</u>	<u>4,503</u>	<u>121,490</u>
<b>Nonoperating Revenues</b>					
State Sources					
State Sources				608	608
Federal Sources					0
School Snack Program				0	0
National School Lunch Program				12,969	12,969
National Breakfast Program				2,621	2,621
Board Subsidy				0	0
Total Nonoperating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,198</u>	<u>16,198</u>
Net Income (Loss)	<u>20,406</u>	<u>35,324</u>	<u>61,257</u>	<u>20,701</u>	<u>137,688</u>
Transfer In Subsidy of Food Service				0	0
Total Net Position - Beginning of Year	<u>30,707</u>	<u>47,315</u>	<u>79,284</u>	<u>33,775</u>	<u>191,081</u>
Total Net Position - End of Year	<u>\$51,113</u>	<u>\$82,639</u>	<u>\$140,541</u>	<u>\$54,476</u>	<u>\$328,769</u>

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Statements of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

Cash flows from operating activities	
Cash Received from Customers	\$318,434
Cash Payments to Employee's Salaries and Benefits	(115,393)
Cash Payments to Suppliers for Goods and Services	(133,010)
Net Cash (Used) by Operating Activities	<u>70,031</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	<u>23,102</u>
Net Cash Provided by Noncapital Financing Activities	<u>23,102</u>
Cash Flows from Investing Activities	
Net Cash Provided by Investing Activities	<u>                    </u>
Net Increase (Decrease) in Cash and Cash Equivalents	93,133
Cash and Cash Equivalents, Beginning of Year	<u>235,636</u>
Cash and Cash Equivalents, End of Year	<u><u>\$328,769</u></u>
Reconciliation of Operating (Loss) to Net Cash	
Used by Operating Activities	
Operating (Loss)	<u>\$137,688</u>
Adjustments to Reconcile Operating (Loss) to	
Net Cash Used by Operating Activities	
Increase/(Decrease) in Accounts Receivable	6,904
Change in Assets and Liabilities	
Decrease in Accounts Payable	0
Increase/(Decrease) in Deferred Revenue	(51,459)
Total Adjustment	<u>(44,555)</u>
Net Cash (Used by) Operating Activities	<u><u>\$93,133</u></u>

## **FIDUCIARY FUNDS**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Combining Statement of Agency Fund Net Position**  
**Fiduciary Funds**  
**As of June 30, 2020**

	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash	\$10,630	\$66,081	\$76,711
Total Assets	\$10,630	\$66,081	\$76,711
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Payroll Deductions and Withholdings		66,081	66,081
Due to Student Groups	10,630	0	0
Total Liabilities	10,630	66,081	76,711
Total Liabilities and Net Position	\$0	\$0	\$0

**Exhibit H-2**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
Nonexpendable Trust Fund  
Combining Statement of Agency Fund Net Position  
Fiduciary Funds  
As of June 30, 2020**

**NOT APPLICABLE**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
Student Activity	\$17,808	\$47,678	(\$54,856)	\$10,630
Total	<u>\$17,808</u>	<u>\$47,678</u>	<u>(\$54,856)</u>	<u>\$10,630</u>

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>ASSETS</b>				
Cash and Cash Equivalents		\$7,325,773	\$7,325,773	
Total Assets		7,325,773	7,325,773	
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings		1,565,598	1,565,598	
Net Payroll		5,760,175	5,760,175	
Total Liabilities		\$7,325,773	\$7,325,773	

**Exhibit H-5**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
Unemployment Compensation Insurance Trust Fund  
Statement of Receipts and Disbursements  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2020**

**NOT APPLICABLE**



## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

J- 1 to J-5

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

#### **Revenue Capacity**

J-6 to J-9

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

#### **Debt Capacity**

J-10 to J-13

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

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

J-14 and J-15

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

#### **Operating Information**

J-16 to J-20

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

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

## **FINANCIAL TRENDS**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
NET POSITION BY COMPONENT  
FOR THE FISCAL YEARS ENDED JUNE 30  
ACCRUAL BASIS OF ACCOUNTING  
(UNAUDITED)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities						
Invested in capital assets	\$ 106,147	\$ 115,294	\$ 124,441	\$ 138,235	\$ 151,392	\$ 109,216
Restricted - Capital Reserve	500,000					
Unrestricted	597,356	728,805	225,724	349,220	489,356	680,151
Total governmental activities net position	<u>\$ 1,203,503</u>	<u>\$ 844,099</u>	<u>\$ 350,165</u>	<u>\$ 487,455</u>	<u>\$ 640,748</u>	<u>\$ 789,367</u>
Business-type activities						
Invested in capital assets						
Unrestricted	-	-	-	160,438	186,000	244,646
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,438</u>	<u>\$ 186,000</u>	<u>\$ 244,646</u>
Total business-type activities net position						
School-wide						
Invested in capital assets	106,147	115,294	124,441	138,235	151,392	109,216
Restricted - Capital Reserve	500,000	-	-	-	-	-
Unrestricted	597,356	728,805	225,724	509,658	675,356	924,797
Total school net position	<u>\$ 1,203,503</u>	<u>\$ 844,099</u>	<u>\$ 350,165</u>	<u>\$ 647,893</u>	<u>\$ 826,748</u>	<u>\$ 1,034,013</u>

**Source: School Financial Statements**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**CHANGES IN NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30**  
**ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Expenses</b>						
Governmental activities						
Instruction						
Regular	\$ 2,835,251	\$ 2,473,709	\$ 2,736,054	\$ 2,654,898	\$ 1,905,519	\$ 1,513,799
Support Services:						
General administration	1,473,375	1,493,842	1,659,947	1,455,807	1,124,305	939,219
School Administrative Services	760,236	814,356	669,412	703,061	1,109,294	552,116
On-behalf TPAF Social Security Pension/Medical	460,120	416,157	305,516	246,198	185,806	191,354
Capital outlay	-	-	-	-	27,558	-
Unallocated depreciation	9,147	9,147	13,794	13,157	-	13,157
Total governmental activities expenses	<u>5,538,129</u>	<u>5,207,211</u>	<u>5,384,723</u>	<u>5,073,121</u>	<u>4,352,482</u>	<u>3,209,645</u>
Business-type activities:						
Food service	72,925	85,769	114,731	132,324	111,335	76,954
Child Care	175,478	178,081	425,660	372,423	245,619	336,509
Total business-type activities expense	<u>248,403</u>	<u>263,850</u>	<u>540,391</u>	<u>504,747</u>	<u>356,954</u>	<u>413,463</u>
Total school expenses	<u>\$ 5,786,532</u>	<u>\$ 5,471,061</u>	<u>\$ 5,925,114</u>	<u>\$ 5,577,868</u>	<u>\$ 4,709,436</u>	<u>\$ 3,623,108</u>
<b>Program Revenues</b>						
Governmental activities:						
Charges for services:						
National Lunch Program						
Pupil transportation						
Central and other support services						
Special revenue grants	379,811	335,481	646,281	560,649	363,769	40,806
Operating grants and contributions						
Capital grants and contributions						
Total governmental activities program revenues	<u>379,811</u>	<u>335,481</u>	<u>646,281</u>	<u>560,649</u>	<u>363,769</u>	<u>40,806</u>
Business-type activities:						
Charges for services:						
Food service	93,626	119,544	114,731	132,324	113,913	96,093
Child care	292,465	335,387	265,222	346,861	301,687	167,810
Operating grants and contributions						
Capital grants and contributions						
Total business type activities program revenues	<u>386,091</u>	<u>454,931</u>	<u>379,953</u>	<u>479,185</u>	<u>415,600</u>	<u>263,903</u>
Total school program revenues	<u>765,902</u>	<u>790,412</u>	<u>1,026,234</u>	<u>1,039,834</u>	<u>779,369</u>	<u>304,709</u>
<b>Net (Expense)/Revenue</b>						
Governmental activities	\$ (5,158,318)	\$ (4,871,730)	\$ (4,738,442)	\$ (4,512,472)	\$ (3,988,713)	\$ (3,340,116)
Business-type activities	\$ 137,688	\$ 191,081	\$ (160,348)	\$ (25,562)	\$ (58,646)	\$ 171,277
Total school-wide net expense	<u>\$ (5,020,630)</u>	<u>\$ (4,680,649)</u>	<u>\$ (4,898,790)</u>	<u>\$ (4,538,034)</u>	<u>\$ (4,047,359)</u>	<u>\$ (3,168,839)</u>

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**CHANGES IN NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30**  
**ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities:						
Local share	4,246,850	4,022,394	3,557,242	3,452,513	3,022,237	2,781,826
State Share	473,790	543,488	514,783	476,372	512,381	385,263
State and Federal Aid aid	653,599	601,424	526,229	397,080	185,806	317,435
Miscellaneous income	5,794	7,077	2,898	33,214	77,494	134,217
Increase in Net Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Total governmental activities	<u>5,380,033</u>	<u>5,174,383</u>	<u>4,601,152</u>	<u>4,359,179</u>	<u>3,797,918</u>	<u>3,618,741</u>
Business-type activities:						
Investment earnings	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total school-wide	<u>5,380,033</u>	<u>5,174,383</u>	<u>4,601,152</u>	<u>4,359,179</u>	<u>3,797,918</u>	<u>3,618,741</u>
<b>Change in Net Position (Decrease)</b>						
Governmental activities	\$ 221,715	\$ 302,653	\$ (137,290)	\$ (153,293)	\$ (190,795)	\$ 449,902
Business-type activities	\$ 137,688	\$ 191,081	\$ (160,348)	\$ (25,562)	\$ (58,646)	\$ 171,277
Total school	<u>\$ 359,403</u>	<u>\$ 493,734</u>	<u>\$ (297,638)</u>	<u>\$ (178,855)</u>	<u>\$ (249,441)</u>	<u>\$ 621,179</u>

Source: School Financial Statements

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEARS ENDED JUNE 30  
 MODIFIED ACCRUAL BASIS OF ACCOUNTING  
 (UNAUDITED)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund						
Reserved	\$ 500,000					
Unreserved	597,356	728,805	225,724	509,658	675,356	680,151
Total General Fund	<u>\$ 1,097,356</u>	<u>\$ 728,805</u>	<u>\$ 225,724</u>	<u>\$ 509,658</u>	<u>\$ 675,356</u>	<u>\$ 680,151</u>
All Other Governmental Funds						
Reserved						
Unreserved						
Total all other governmental funds						

Source: School Financial Statements

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**GOVERNMENTAL AND ENTERPRISE REVENUES AND EXPENDITURES**  
**FOR THE FISCAL YEARS ENDED JUNE 30**  
**MODIFIED ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
Local tax Levy	\$4,246,850	\$4,022,394	\$3,557,242	\$3,452,513	\$3,022,237	\$2,781,826
Other local revenue	5,794	7,077	514,783	33,214	512,381	385,263
Miscellaneous Income	604,304	594,818	855,773	315,507	153,645	134,217
State sources	1,127,997	1,145,112	544,797	873,452	185,806	317,414
Federal sources	160,990	195,594	154,791	245,142	287,618	40,806
Total revenue	<u>6,145,935</u>	<u>5,964,995</u>	<u>5,627,386</u>	<u>4,919,828</u>	<u>4,161,687</u>	<u>3,659,526</u>
<b>Expenditures</b>						
Instruction	2,455,440	2,138,228	2,262,409	2,232,172	1,606,513	1,472,993
Regular Instruction						
Support Services:						
General administration	1,473,375	1,493,842	1,487,311	1,317,884	1,059,542	939,219
School administrative services/Plant	760,236	814,356	669,412	703,061	1,109,294	552,116
TPAF Social Security	460,120	416,157	305,516	246,198	185,806	191,354
Capital outlay	0	0	0	0	27,558	0
Proprietary Fund	248,403	263,850	540,391			
Special Revenue	379,811	335,481	646,281	560,649	363,769	40,806
Total expenditures	<u>5,777,385</u>	<u>5,461,914</u>	<u>5,911,320</u>	<u>5,059,964</u>	<u>4,352,482</u>	<u>3,196,488</u>
Excess (Deficiency) of revenues over (under) expenditures	368,550	503,081	(283,934)	(140,136)	(190,795)	463,038
<b>Other Financing sources (uses)</b>						
Transfers in						
Transfers out						
Total other financing sources (uses)						0
Net change in fund balances (Decrease)	<u>\$ 368,550</u>	<u>\$ 503,081</u>	<u>\$ (283,934)</u>	<u>\$ (140,136)</u>	<u>\$ (190,795)</u>	<u>\$ 463,038</u>

**Source: School Financial Statements**

## **REVENUE CAPACITY**



Exhibit J-5

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**General Fund - Other Local Revenue By Source**  
**For the Fiscal Years Ended June 30**  
**(UNAUDITED)**

	<u>Donations</u>	<u>Other Local</u>	<u>Totals</u>
2015	134,217		134,217
2016	77,494		79,494
2017	33,214		33,214
2018	2,898		2,898
2019	7,077		7,077
2020	5,794		5,794

Source: School Financial Statements

**Exhibit J-6**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
Assessed Value and Actual Value of Taxable Property  
For the Fiscal Year Ended June 30, 2020**

**NOT APPLICABLE**

**Exhibit J-7**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
Direct and Overlapping Property Tax Rates  
For the Fiscal Year Ended June 30, 2020**

**NOT APPLICABLE**

**Exhibit J-8**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
Principal Property Taxpayers  
For the Fiscal Year Ended June 30, 2020**

**NOT APPLICABLE**

## **DEBT CAPACITY**

**Exhibit J-9**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
Property Tax Levies and Collections  
For the Fiscal Year Ended June 30, 2020**

**NOT APPLICABLE**

**Exhibit J-10**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
Ratios of Outstanding Debt by Type  
For the Fiscal Year Ended June 30, 2020**

**NOT APPLICABLE**

**Exhibit J-11**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
Ratios of Net General Bonded Debt Outstanding  
For the Fiscal Year Ended June 30, 2020**

**NOT APPLICABLE**



**Exhibit J-12**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
Direct and Overlapping Governmental Activities Debt  
For the Fiscal Year Ended June 30, 2020**

**NOT APPLICABLE**

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

**Exhibit J-13**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
Legal Debt Margin Information  
For the Fiscal Year Ended June 30, 2020**

**NOT APPLICABLE**

**Exhibit J-14**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
Demographic and Economic Statistics  
For the Fiscal Year Ended June 30, 2020**

**NOT APPLICABLE**

**OPERATING INFORMATION  
(UNAUDITED)**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Principal Employers**  
**For the Fiscal Year Ended June 30, 2020**

**NOT APPLICABLE**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Full-time Equivalent School Employees by Function/Program**  
**For the Fiscal Years Ended June 30**  
**(UNAUDITED)**

<u>Function/Program</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Instruction						
Regular	40	42	42	40	35	33
Special education						
Other special education						
Vocational						
Other instruction						
Nonpublic school programs						
Adult/continuing education programs						
Support Services:						
Student & instruction related services						
General administration	1	1	1	1		
School administrative services	6	4	4	4	3	2
Other administrative services	2	2	2	2	2	2
Central services	1	1	1	1	1	1
Administrative Information Technology						
Plant operations and maintenance	2	2	2	2	2	1.2
Pupil transportation						
Other support services	2	2	2	2	1	1
Special Schools						
Food Service	3	3	3	3	3	2
Child Care						
Total	<u>57</u>	<u>57</u>	<u>57</u>	<u>55</u>	<u>47</u>	<u>42.2</u>

**Source:** School Personnel Records

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Operating Statistics**  
**For the Fiscal Years Ended June 30**  
**(UNAUDITED)**

Pupil/Teacher Ratio

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Elementary and Middle School</u>	<u>Senior High School</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2015	292	3,436,266	11,808	6.31%	17	17	N/A	287.0	281.4	-	98.05%
2016	336	4,404,313	13,108	11.00%	18	17	N/A	327.1	317.5	12.83%	97.07%
2017	367	5,564,711	15,162	15.67%	20	20	N/A	364.6	345.0	8.66%	94.62%
2018	386	6,098,389	15,798	4.20%	21	21	N/A	383.2	374.0	8.41%	97.60%
2019	399	5,471,061	13,711	-13.60%	21	21	N/A	398.9	391.0	4.55%	98.02%
2020	408	5,777,385	14,160	3.50%	28	28	N/A	407.0	404.7	3.50%	99.43%

Sources: School records



**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**School Building Information**  
**For the Fiscal Years Ended June 30**  
**(UNAUDITED)**

<b><u>School Building</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Main Campus (Jefferson K-4)						
Square Feet	18,050	18,050	18,050	18,050	18,050	18,050
Capacity (students)	300	300	300	300	300	300
Enrollment	235	237	232	220	226	287
Second Campus (Garden 5-8)						
Square Feet	15,920	15,920	15,920	15,920	15,920	-
Capacity (students)	200	200	200	200	200	-
Enrollment	172	162	151	145	101	-
Total Enrollment	407	399	383	365	327	287
Number of Schools at June 30						
Elementary and Middle School	2	2	2	2	2	1

**Source:** School Office

**Exhibit J-19**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
General Fund - Schedule of Required Maintenance By School Facility  
For the Fiscal Year Ended June 30, 2020**

**NOT APPLICABLE**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2020**  
**(UNAUDITED)**

	<u>Coverage</u>	<u>Deductible</u>
<b><u>Property</u></b>	\$400,000	\$1,000
	\$192,500	\$1,000
	\$100,000	
	\$360,000	
<b><u>Crime</u></b>	\$150,000	\$1,000
	\$10,000	\$1,000
<b><u>General Liability</u></b>	\$1,000,000	
Based on 383 Students	\$3,000,000	
	\$1,000,000	
	\$1,000,000	
	\$10,000	
	\$1,000,000	\$1,000
	\$3,000,000	\$1,000
	\$1,000,000	
	\$2,000,000	
<b><u>Educators Legal Liability</u></b>	\$1,000,000	\$5,000
	\$2,000,000	\$5,000
	\$100,000	\$5,000
	\$25,000	
<b><u>Automobile Liability</u></b>	\$1,000,000	
<b>Student Accident</b>	\$250,000	
Markel Insurance Co	\$10,000	
	\$10,000	
<b>Umbrella</b>	\$1,000,000	\$10,000
Markel Insurance Co	\$1,000,000	\$10,000
<b>Workers' Compensation</b>	\$1,000,000	Each Accident
Markel Insurance Co	\$1,000,000	Each Employee
	\$1,000,000	Policy Limit
	Statutory	
<b>Directors &amp; Officers Liability/</b>	\$1,000,000	\$5,000
<b>Employment Practice Liability</b>	\$1,000,000	\$5,000
Philadelphia Insurance Co		

**CHARTER SCHOOL PERFORMANCE  
FRAMEWORK FINANCIAL INDICATORS**

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
FINANCIAL PERFORMANCE - FINANCIAL RATIOS  
FOR THE FISCAL YEARS ENDED JUNE 30  
(UNAUDITED)**

**Charter School Performance Framework Financial Indicators  
Near Term Indicators**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Cash	580,122	595,984	152,621	659,811	1,154,228	1,172,250
Current Assets	1,203,155	853,783	559,205	1,080,039	1,249,405	1,204,965
Total Assets	1,203,155	3,725,722	3,126,853	2,725,795	2,103,222	1,204,965
Current Liabilities	105,799	124,978	209,040	432,146	574,049	280,168
Total Liabilities	105,799	4,875,170	4,205,242	3,015,552	1,869,711	280,168
Net Position	1,097,356	(1,149,448)	(1,078,389)	(289,757)	3,972,933	924,797
Total Revenue	6,145,935	5,964,995	5,613,592	5,399,013	4,197,048	4,094,727
Total Expenses	5,777,385	5,461,914	5,911,320	5,564,711	4,404,313	(3,460,391)
Change in Net Position Increase (Decrease)	368,550	503,081	(297,728)	(165,698)	(207,265)	634,336
Depreciation	9,147	9,147	13,794	13,157	13,157	13,157
Principal Payments	0	0	0	0	0	0
Interest payments	0	0	0	0	0	0
Final average daily enrollment	408	399	386	380	336	291
March 30th budgeted Enrollment	408	399	386	380	336	291
Near term indicators	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
CURRENT RATIO	11.37	6.83	2.68	1.52	2.18	4.3
Unrestricted days cash	36.65	39.82	9.42	43.28	95.65	123.65
Enrollment variance	0%	0%	0%	0%	0%	0%
Default	N/A	N/A	N/A	N/A	N/A	N/A

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
FINANCIAL PERFORMANCE - FINANCIAL RATIOS  
FOR THE FISCAL YEARS ENDED JUNE 30  
(UNAUDITED)**

**Charter School Performance Framework Financial Indicators  
Sustainability Indicators**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Cash	580,122	595,984	152,621	659,811	1,154,228	1,172,250
Current Assets	1,203,155	853,783	559,205	1,080,039	1,249,405	1,204,965
Total Assets	1,203,155	3,725,722	3,126,853	2,725,795	2,103,222	1,204,965
Current Liabilities	105,799	124,978	209,040	432,146	574,049	280,168
Total Liabilities	105,799	4,875,170	4,205,242	3,015,552	1,869,711	280,168
Net Position (Deficit)	1,097,356	(1,149,448)	(1,078,389)	(289,757)	233,511	924,797
Total Revenue	6,145,935	5,964,995	5,613,592	5,399,013	4,197,048	4,094,727
Total Expenses	5,777,385	5,461,914	5,911,320	5,564,711	4,404,313	(3,460,391)
Change in Net Position Increase (Decrease)	368,550	503,081	(297,728)	(165,698)	(207,265)	634,336
Depreciation	9,147	9,147	13,794	13,157	13,157	13,157
Principal Payments	0	0	0	0	0	0
Interest payments	0	0	0	0	0	0
Final average daily enrollment	408	399	386	380	336	291
March 30th budgeted Enrollment	408	399	386	380	336	291
Sustainability Indicators	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Margin	11.37	8.4	5.3	(5.0%)	(5.0%)	15%
Debt to Asset	N/A	N/A	N/A	N/A	N/A	N/A
Cash Flow	(10,862)	443,363	(507,190)	(494,411)	(18,022)	831,205
Debt Service Coverage ratio	N/A	N/A	N/A	N/A	N/A	N/A

**SINGLE AUDIT SECTION K**

**GERALD D. LONGO**  
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**EXHIBIT K-1**

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

The Honorable Chairman and  
Members of the Board of Trustees  
Hoboken Dual Language Charter School  
County of Hudson  
Hoboken, New Jersey

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hoboken Dual Language Charter School ("the Charter School"), in the County of Hudson, State of New Jersey, as of and for the 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 my report thereon, dated December 22, 2020.

**Internal Control Over Financial Reporting**

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

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



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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Licensed Public School Accountant No. 20CS00206400



Gerald D. Longo  
Certified Public Accountant  
December 22, 2020

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**EXHIBIT K-2**

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

The Honorable Chairman and  
Members of the Board of Trustees  
Hoboken Dual Language Charter School  
County of Hudson  
Hoboken, New Jersey

**Compliance**

I have audited the Hoboken Dual Language Charter School, in the County of Hudson, State of New Jersey's ("the Charter School")

with the types of compliance requirements described in the State of New Jersey Department of Treasury Circular 15-08-OMB Compliance Supplement that could have a direct and material effect on each of the Charter School's major state programs for the fiscal year ended June 30, 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**

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

**Auditors' Responsibility**

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

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

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

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

In my opinion, the Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2020.

### **Report on Internal Control over Compliance**

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

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

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

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

Licensed Public School Accountant No. 20CS00206400

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

Gerald D. Longo  
Certified Public Accountant  
December 22, 2020

HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2020

<u>Federal/Grantor Program Title</u>	<u>CFDA/GRANT Project Number</u>	<u>Federal Award Identification Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance July 1, 2019</u>	<u>Prior Carry-over</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Refund of Prior Years' Balances</u>	<u>Adjust</u>	<u>Deferred Revenue/ (Accounts Receivable) June 30, 2020</u>	<u>Due to Grantor at June 30, 2020</u>
<b>Enterprise Fund:</b>												
U.S. Department of Agriculture												
Pass-Through Programs:												
Passed-Through New Jersey												
State Department of Agriculture												
National Breakfast Lunch	10.555	20NJ304N1099	07/01/19-06/30/20	2,621	\$0		\$2,621	\$2,621			\$0	
National School Lunch	10.554	20NJ304N1099	07/01/19-06/30/20	12,968	(\$6,633)		\$19,602	\$12,969			\$0	
Total Enterprise Fund/Total US Dept. of Agriculture Pass Through Programs					<u>(6,633)</u>		<u>22,223</u>	<u>15,590</u>			<u>0</u>	
<b>Special Revenue Fund:</b>												
U.S. Department of Education												
Pass-Through Programs:												
Passed-Through New Jersey												
State Department of Education												
Title I Part A	84.010A	S010A190030	07/01/19-06/30/20	99,265	0		99,265	99,265				
IDEA Preschool	84.173A	H173A190114	07/01/19-06/30/20	1,252	0		1,252	1,252				
IDEA Part B	84.027A	H027A190100	07/01/19-06/30/20	60,473	0		60,473	60,473				
Total Enterprise US Dept. of Education Pass Through Programs					<u>0</u>		<u>160,990</u>	<u>160,990</u>				<u>0</u>
Total Expenditures of Federal Awards					<u>(\$6,633)</u>		<u>\$183,213</u>	<u>\$176,580</u>			<u>\$0</u>	<u>\$0</u>

See accompanying notes to schedules of expenditures of Federal and State award programs.

EXHIBIT - K-4  
Schedule B

HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
Schedule of Expenditures of State Awards  
For the Fiscal Year Ended June 30, 2020

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance July 1, 2019</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Prior Years' Balances</u>	<u>Adjust.</u>	<u>Receivable at June 30, 2020</u>
<b>NJ DEPARTMENT OF EDUCATION</b>									
<b>GENERAL FUND</b>									
TPAF Social Security	20-495-034-5094-003	7/1/19-06/30/20	92,759		\$93,287	\$93,287			
Equalization Aid - Local	20-495-034-5120-078	7/1/19-06/30/20	4,246,850		4,246,850	4,246,850			
Equalization Aid - State	20-495-034-5120-078	7/1/19-06/30/20	473,790		473,790	473,790			
Jersey City Payroll Reimbursement	N/A	7/1/19-06/30/20	18,569		18,569	18,569			
Special Education Aid	20-495-034-5120-089	7/1/19-06/30/20	125,170		125,170	125,170			
Security Aid	20-495-034-5020-084	7/1/19-06/30/20	49,740		49,740	49,740			
TPAF LT Disability (On-Behalf - Non-Budgeted)	20-495-034-5094-004	7/1/19-06/30/20	787		787	787			
TPAF Medical (On-Behalf - Non-Budgeted)	20-495-034-5094-001	7/1/19-06/30/20	99,193		99,193	99,193			
TPAF Pension (On-Behalf - Non-Budgeted)	20-495-034-5094-002	7/1/19-06/30/20	267,381		267,381	267,381			
Total General Fund/Total State Department of Education					<u>--</u>	<u>5,374,767</u>	<u>5,374,767</u>		
<b>ENTERPRISE FUND</b>									
State School Lunch	20-100-010-3350-023	7/1/19-06/30/20	713	<u>(272)</u>	<u>880</u>	<u>608</u>			<u>0</u>
Total Enterprise				<u>(272)</u>	<u>880</u>	<u>608</u>			<u>0</u>
Total State Financial Assistance					<u>(159)</u>	<u>\$5,375,647</u>	<u>\$5,375,375</u>		<u>0</u>
Less on Behalf TPAF Pension and Annuity Aid									
TPAF LT Disability (On-Behalf - Non-Budgeted)	20-495-034-5094-004	7/1/19-06/30/20			(787)	(787)			
TPAF Medical (On-Behalf - Non-Budgeted)	20-495-034-5094-001	7/1/19-06/30/20			(99,193)	(99,193)			
TPAF Pension (On-Behalf - Non-Budgeted)	20-495-034-5094-002	7/1/19-06/30/20			(267,381)	(267,381)			
Total State Financial Assistance subject to Single Audit						<u>\$5,008,286</u>	<u>\$5,008,014</u>		

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AND STATE ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1. GENERAL**

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

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

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

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AND STATE ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ ---	\$5,374,967	\$5,374,967
Special Revenue Fund	160,990	-0-	160,990
Enterprise Fund	<u>15,590</u>	<u>608</u>	<u>16,198</u>
Total Awards and Financial Assistance	<u>\$ 176,580</u>	<u>\$ 5,375,575</u>	<u>\$ 5,552,155</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. OTHER INFORMATION**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the Charter School for the year ended June 30, 2020. TPAF Social Security Contributions of \$93,287 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.

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

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

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

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



**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
COUNTY OF HUDSON, NEW JERSEY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**Financial Statement Section**

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

**Federal Awards**

N/A

Internal control over compliance:

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

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

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

Identification of major programs:

<u>C DFA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
None	None

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

Auditee qualified as low risk auditee:

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
COUNTY OF HUDSON, NEW JERSEY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

<b>State Awards</b>	<b><u>YES</u></b>	<b><u>NO</u></b>
Dollar threshold used to distinguish between type A and type B programs (.520)	\$750,000	
Auditee qualified as low risk auditee:	<b>X</b>	
Type of auditor’s report issued:	Unmodified	
Internal control over major programs:		
Material weakness(es) identified:		<b>X</b>
Significant deficiencies identified not considered to be material weakness(es)?		<b>X</b>
Type of auditor’s report on compliance for major programs:	Unmodified	None Reported
Any audit findings disclosed that are required to be Reported in accordance with NJOMB Circular Letter 15-08?		<b>X</b>
Identification of major programs:		
<b><u>C DFA Number(s)</u></b>		
<b><u>Name of State Program or Cluster</u></b>		
20-495-034-5120-078		Equalization Aid
20-495-034-5120-085		Adjustment Aid
20-495-034-5120-089		Special Education Aid
20-495-034-5120-084		Security Aid

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
COUNTY OF HUDSON, NEW JERSEY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
COUNTY OF HUDSON, NEW JERSEY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

**HOBOKEN DUAL LANGUAGE CHARTER SCHOOL  
SUMMARY OF 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**

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

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