

**JERSEY CITY GLOBAL
CHARTER SCHOOL**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

JUNE 30, 2021

**PREPARED BY
Jersey City Global Charter School**

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

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Jersey City Global Charter School

December 14, 2021

Angelica Allen-McMillan, Ed.D.
Acting Commissioner
New Jersey Department of Education
100 Riverview Executive Plaza
CN – 500
Trenton, New Jersey 08625-0500

Dear Ms. Allen-McMillan:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Jersey City Global Charter School (Charter School) for the fiscal year ended June 30, 2021. This CAFR includes the Charter School's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34.

The Charter School has elected to adopt this new financial reporting model which we believe will provide all users of this document with much more useful financial and statistical information than ever before. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Trustees (Board).

To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Charter School. This report will provide the taxpayers of the Charter School with comprehensive financial data in a format enabling them to gain an understanding of the Charter School's financial affairs.

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

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the Charter School;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the Charter School's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the Charter School, generally presented on a multi-year basis;

The Single Audit Section — The Charter School is required to undergo an annual single audit in conformity with the provisions of the New Jersey State Office of Management and Budget (OMB) Circular Letter 15-08, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this single audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

Charter School Organization

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

The Principal is the chief executive officer of the Charter School, responsible to the Board for total educational and support operations. The Business Administrator is the chief financial officer of the Charter School, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the Charter School, acting as custodian of all Charter School funds, and investing idle funds as permitted by New Jersey law.

- 1. REPORTING ENTITY AND ITS SERVICES:** The Jersey City Global Charter School is an independent reporting entity within the criteria adopted by the Government Auditing Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the Charter School are included in this report. The Charter School’s Board of Trustees, constitutes the Charter School’s reporting entity.

The focus of education at Jersey City Global Charter School has always been what is best for the success of the children. With this in mind, the school provides a full range of services appropriate to meeting the needs of all students in Kindergarten through Grade Four (4). Such instructional services include regular education and special education.

Jersey City Global Charter School ended the 2020-2021 school year with an enrollment of 500 students. The following details the student enrollment of the Charter School over the last five years:

Average Daily Enrollment		
Fiscal Year	Student Enrollment	Attendance Rate
2020-2021	500	91.23%
2019-2020	468	91.23%
2018-2019	425	88.03%
2017-2018	377	97.13%
2016-2017	361	99.17%

- 2. ECONOMIC CONDITION AND OUTLOOK:** The Charter School is located in Jersey City, New Jersey and has completed its first year of implementation. The Charter School is located in one of the major urban areas in the State of New Jersey. They are experiencing some of the same social and economic phenomena as other urban areas its size. These phenomena include, but are not limited to, unemployment, and under employment among its working class population.

3. **INITIATIVES:** The Charter School has developed a comprehensive strategic plan to support its mission and vision which serves as a blueprint for the achievement of its goals. The plan includes objectives, such as pupil achievements, staff development and technology in the classroom.

a. **2020-2021 School Performance Summary**

THE NJDOE requested interim assessment data from assessments administered between November 16, 2020 and February 19, 2021. Below are the results.

Proficiency Rates on local assessments

Assessment	Interim Assessment			End of Year Assessment		
	Below	On	Above	Below	On	Above
Percentage of students:						
ELA K	4%	29%	67%	6%	28%	65%
ELA 1	3%	11%	86%	9%	28%	64%
ELA 2	10%	18%	71%	20%	33%	47%
ELA 3	10%	40%	50%	26%	38%	36%
ELA 4	10%	42%	47%	22%	58%	20%
ELA 5	20%	46%	34%	28%	47%	26%
ELA 6	29%	57%	14%	45%	41%	14%
ELA 7	39%	45%	16%	42%	45%	13%
ELA 8	40%	41%	19%	44%	38%	18%
ELA 9	N/A	N/A	N/A	N/A	N/A	N/A
ELA 10	N/A	N/A	N/A	N/A	N/A	N/A
MAT K	2%	27%	72%	4%	23%	73%
MAT 1	1%	12%	87%	6%	23%	71%
MAT 2	5%	37%	57%	31%	45%	23%
MAT 3	19%	41%	40%	34%	41%	25%
MAT 4	17%	44%	39%	32%	42%	25%
MAT 5	23%	39%	39%	32%	35%	33%
MAT 6	57%	29%	14%	59%	32%	9%
MAT 7	39%	48%	13%	45%	42%	13%
MAT 8	35%	44%	22%	39%	27%	15%

Language Arts Literacy

The school utilized the NWEA MAPs Assessment in Language Arts Literacy and Mathematics and they were administered three times within the academic school year in grades K-8. The three testing windows generally occur in Fall, Winter, & Spring.

Overall, we noticed grades Kindergarten to Fifth grade had 70% or higher of students met or exceeded ELA benchmarks. In grades Kindergarten to Second Grade 80% or more of students in each grade met or exceeded ELA benchmarks. We observed that more than 50% of students in the 6th, 7th, and 8th grade met or exceeded the benchmark respectively in ELA.

Mathematics

In the academic area of Mathematics, 96% kindergarten students met or exceeded the benchmark by end of the year. In first grade 84% of the student population met or exceeded benchmark, whereas in second grade 68% of students met or exceeded the benchmark.

We further observed that 66% of students in the third and 67% fourth grade students met or exceeded benchmark. In the fifth grade 68% students met or exceeded the benchmark. Only 41% of students in the sixth grade and 55% of students in the seventh grade and 42% of eighth grade students met or exceeded the benchmark.

In the 2020-2021 NWEA MAP assessment phase, we observed that students made small gains in their final MAP scores; however students in grade 6 have been identified as a cohort in need of more intensive support in ELA & Math.

NWEA MAP: Students At/Above				
FALL 2020 - 2021				
	ELA		Math	
	# of Students At/Above	% of Students At/Above	# of Students At/Above	% of Students At/Above
Kindergarten	92/96	96%	94/96	97%
Grade 1	76/78	97%	75/78	96%
Grade 2	69/77	89%	73/77	94%
Grade 3	54/60	90%	49/60	81%
Grade 4	53/59	89%	49/59	83%
Grade 5	34/43	79%	28/43	65%
Grade 6	15/21	71%	9/21	42%
Grade 7	18/30	60%	19/30	63%
Grade 8	22/37	59%	24/37	64%

NWEA MAP: Students At/Above				
SPRING 2020 - 2021				
	ELA		Math	
	# of Students At/Above	% of Students At/Above	# of Students At/Above	% of Students At/Above
Kindergarten	86/92	93%	88/92	96%
Grade 1	66/72	92%	68/72	94%
Grade 2	62/77	80%	53/77	69%
Grade 3	45/61	74%	40/61	66%
Grade 4	43/55	78%	37/55	67%
Grade 5	31/43	72%	29/43	67%
Grade 6	12/22	55%	9/22	41%
Grade 7	18/31	58%	17/31	55%
Grade 8	22/39	56%	24/39	62%

b. Dynamic Learning MAPS

Seven students were administered Dynamic Learning Maps in the Self-Contained Resource Room Class. Three students are in the 3rd Grade, Two students in the 4th Grade, One in the 5th Grade and One in the 6th Grade. In English Language Arts 28.5% of students are At Target, 14% of students are Approaching Target and 57% of students are Emerging. In Mathematics, 14% of students are At Target, 43% are Approaching Target, and 43% of students are Emerging. One student took the Science Portion of the DLM and has reached the Emerging Achievement Level.

- 4. INTERNAL ACCOUNTING CONTROLS:** Management of the Charter School is responsible for establishing and maintaining an internal control designed to ensure that the assets of the Charter School are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, the Charter School is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the Charter School's management. As part of the Charter School's single audit described earlier, tests are made to determine the adequacy of internal controls, including that portion related to federal and state financial assistance programs, as well as to determine that the Charter School has complied with applicable laws and regulations.
- 5. BUDGETARY CONTROLS:** In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by

the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2021.

6. **CASH MANAGEMENT:** The investment policy of the Charter School is guided in large part by state statute as detailed in “Notes to Financial Statements” Notes 1 and 3. The Charter School had adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
7. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, directors’ and officers’ insurance and workmen’s compensation.
8. **OTHER INFORMATION:**

Independent Audit

State statute requires an annual audit by independent certified public accountants or registered municipal accountants. The Charter School appointed the accounting firm of Galleros Robinson CPAs, LLP. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the New Jersey OMB Letter Circular Letter 15-08. The auditor’s report on the basic financial statements, combining and individual fund statements, and schedules are included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

9. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Jersey City Global Charter School Board of Trustees for their concern in providing fiscal accountability to the citizens and taxpayers of the Charter School and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial, accounting and administrative staff.

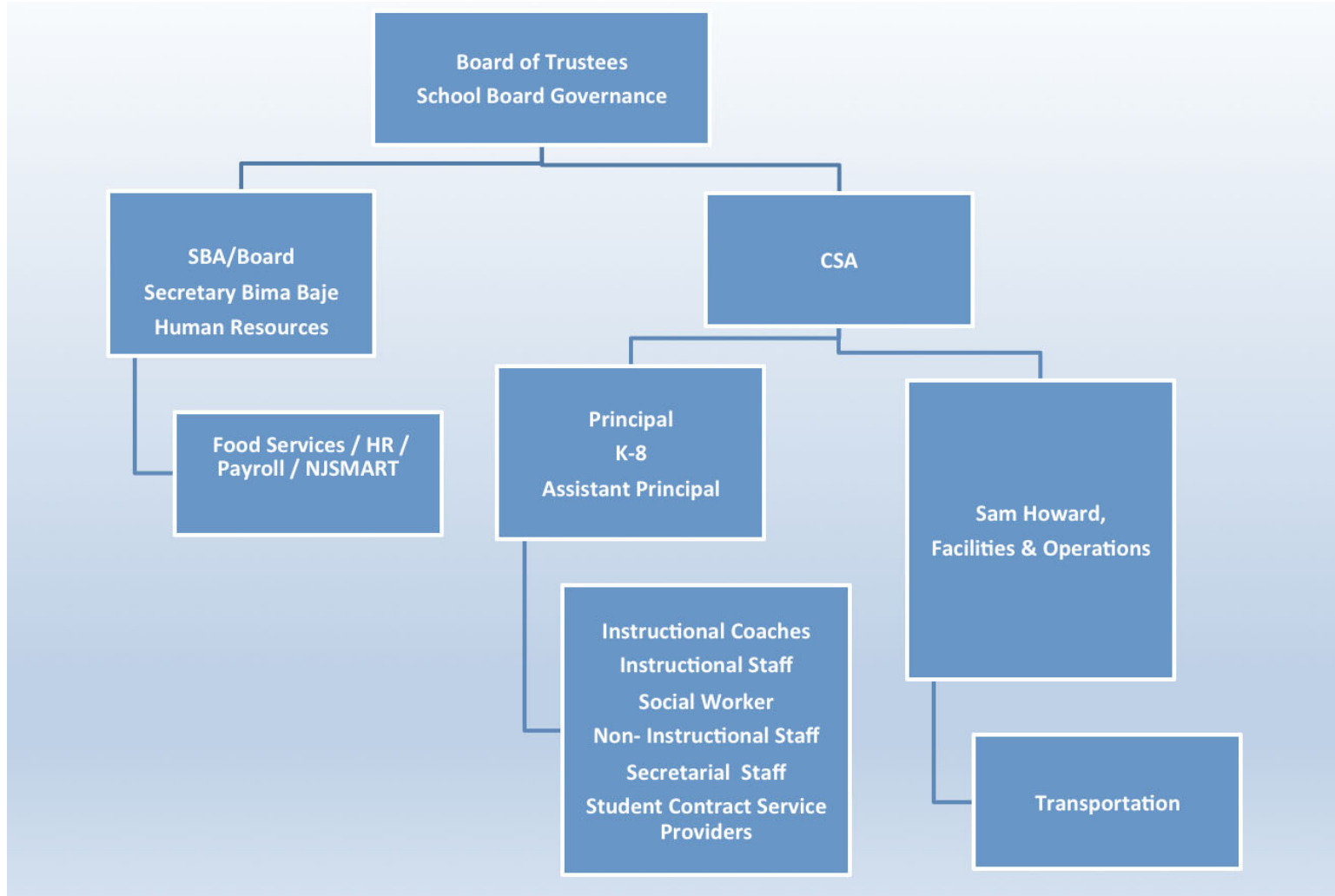
Respectfully submitted,



Bima Baje
School Business Administrator

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

ORGANIZATIONAL CHART



**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

ROSTER OF OFFICIALS

JUNE 30, 2021

MEMBERS OF THE BOARD OF TRUSTEES

TERM

Alice Sylvia Minor, President	6/30/21
Tiffany Burress, Vice President	6/20/21
Ajay Karippot, Trustee	6/30/21
Kathleen Davis, Trustee	6/30/21
Kevin Neaves, Trustee	6/30/22
Jose Arango, Trustee	6/30/21
Jose Manuel Vazquez, Trustee	6/30/21

OTHER OFFICIALS

Nadira Raghunandan, Principal
Bima Baje, SBA/Board Secretary
Gerard Pizzillo, ESQ, Board Attorney

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

CONSULTANTS AND ADVISORS

Independent Auditors

Galleros Robinson CPAs, LLP
115 Davis Station Rd
Cream Ridge, NJ 08514

Attorneys

Genova Burns Attorneys-at-Law
494 Broad Street
Newark, NJ 07102-3230

Official Depositories

Provident Bank
100 Wood Avenue
South Iselin, NJ 08830

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Trustees
Jersey City Global Charter School
County of Hudson
Jersey City, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jersey City Global Charter School (the Charter School), in the County of Hudson, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

INDEPENDENT AUDITOR'S REPORT - CONTINUED

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jersey City Global Charter School, in the County of Hudson, State of New Jersey as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

We draw attention to Note 2 in the notes to the financial statements which disclose the effects of the Charter School's adoption of the provisions of Government Accounting Standards Board (GASB) Statement Nos. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 13 through 18, Budgetary Comparison Information on pages 65 through 69, and Schedules Related to Accounting and Reporting for Pensions (GASB 68) and OPEB (GASB 75) on page 70 to 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Charter School's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial

INDEPENDENT AUDITOR'S REPORT - CONTINUED

assistance (Schedules) are also presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Letter Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not also a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021 on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Charter School's internal control over financial reporting and compliance.



Leonora Galleros, CPA
Public School Accountant
PSA No. 20CS00239400



Galleros Robinson CPAs, LLP
Certified Public Accountants

December 14, 2021
Cream Ridge, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION

PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

JERSEY CITY GLOBAL CHARTER SCHOOL (COUNTY OF HUDSON, NEW JERSEY)

MANAGEMENT’S DISCUSSION AND ANALYSIS

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

Introduction

This section of the Jersey City Global Charter School’s (the “Charter School”) annual financial report presents our discussion and analysis of the Charter School’s financial performance and provides an overview of the Charter School’s financial activities for the fiscal year ended June 30, 2021. It should be read in conjunction with the transmittal letter at the front of this report and the Charter School’s financial statements, which follow this section.

The Management’s Discussion and Analysis (MD&A) is an element of the reporting model in conformance with the requirements of the Governmental Accounting Standards Board (GASB).

Financial Highlights

Key Financial highlights for the fiscal year 2021 are as follows:

- General revenues accounted for \$5.94 million or 73% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2.13 million or 27% of total revenues of \$8.08 million.
- The Charter School had \$7.23 million in expenses; only \$2.13 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$5.94 million were inadequate to provide for these programs.
- Among governmental funds, the General Fund had \$6.66 million in revenues and \$6.58 million in expenditures. The General Fund’s fund balance increased by \$0.08 million.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole Charter School, presenting both an aggregate view of the Charter School’s finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Charter School’s most significant funds with all other non-major funds presented in total in one column. In the case of Jersey City Global Charter School, the General Fund is by far the most significant fund.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED

Reporting the Charter School as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the Charter School to provide programs and activities, the view of the Charter School as a whole look at all financial transactions and ask the question, “How did we do financially during 2021?” The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the Charter School’s net position and changes in that position. This change in net position is important because it tells the reader that, for the Charter School as a whole, the financial position of the Charter School has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the Charter School is divided into two distinct kinds of activities:

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

Business-Type Activities – Services are provided on a charge for goods or services or reimbursement basis to recover the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School Charter School’s Most Significant Funds

Fund Financial Statements

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

Governmental Funds

Most of the Charter School’s activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED

Governmental Funds (continued)

The governmental fund statement provides a detailed short-term view of the Charter School’s general government operations and the basic services it provides. Governmental fund information helps determine whether there are sufficient financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the Statement of Net Position and the Statement of Activities and the governmental funds are reconciled in the financial statements.

Enterprise Fund

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

The Charter School as a Whole

The perspective of the Statement of Net Position is of the Charter School as a whole. The table below provides a summary of the Charter School’s net assets at June 30, 2021.

The total net position of the Charter School has increased by \$0.83 million during the current fiscal year. The increase includes a prior period adjustment of \$0.007 million to recognize fund balance of student activities as of July 1, 2020 in the general fund in accordance with the adoption of GASB 84.

	Governmental Activities	Business Type Acvtivities	Total
Assets			
Current Assets	\$ 1,932,250	\$ 14,120	\$ 1,946,370
Capital Assets, net	<u>1,342,430</u>	<u>2,630</u>	<u>1,345,060</u>
Total Assets	<u>3,274,680</u>	<u>16,750</u>	<u>3,291,430</u>
Deferred Outflow of Resources			
	<u>718,708</u>	<u>-</u>	<u>718,708</u>
Liabilities			
Current Liabilities	324,595	(4,706)	319,889
Noncurrent Liabilities	<u>1,315,955</u>	<u>-</u>	<u>1,315,955</u>
Total Liabilities	<u>1,640,550</u>	<u>(4,706)</u>	<u>1,635,844</u>
Deferred Inflow of Resources			
	<u>520,341</u>	<u>-</u>	<u>520,341</u>
Net Position			
Invested in Capital Assets, (net of related debt)	932,754	2,630	935,384
Restricted for Student Activities	-	-	-
Unrestricted	<u>899,743</u>	<u>18,826</u>	<u>918,569</u>
Total Net Position	<u>\$ 1,832,497</u>	<u>\$ 21,456</u>	<u>\$ 1,853,953</u>

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

The table that follows reflects the change in net position for fiscal year 2021:

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charge for Services	\$ 3,620	\$ -	\$ 770	\$ 98,381	\$ 4,390	\$ 98,381
Operating grants and Contributions	<u>2,129,865</u>	<u>1,449,652</u>	<u>15,593</u>	<u>57,557</u>	<u>2,145,458</u>	<u>1,507,209</u>
Total Program Revenues	<u>2,133,485</u>	<u>1,449,652</u>	<u>16,363</u>	<u>155,938</u>	<u>2,149,848</u>	<u>1,605,590</u>
General Revenues:						
Local Aid	1,622,115	1,713,838	-	-	1,622,115	1,713,838
Federal and State Aid	4,273,132	3,305,701	-	-	4,273,132	3,305,701
Miscellaneous	<u>43,206</u>	<u>37,268</u>	<u>-</u>	<u>-</u>	<u>43,206</u>	<u>37,268</u>
Total General Revenues	<u>5,938,453</u>	<u>5,056,807</u>	<u>-</u>	<u>-</u>	<u>5,938,453</u>	<u>5,056,807</u>
Total Revenues	<u>8,071,938</u>	<u>6,506,459</u>	<u>16,363</u>	<u>155,938</u>	<u>8,088,301</u>	<u>6,662,397</u>
Expenses:						
Instructions	4,865,473	3,470,391	-	-	4,865,473	3,470,391
Administrative	1,210,767	1,072,617	-	-	1,210,767	1,072,617
Support services Unallocated	<u>1,087,410</u>	<u>1,171,174</u>	<u>-</u>	<u>-</u>	<u>1,087,410</u>	<u>1,171,174</u>
Capital outlay	70,367	17,768	-	-	70,367	17,768
Depreciation	11,605	11,480	-	-	11,605	11,480
Food Service	-	-	23,561	92,167	23,561	92,167
After Care	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,092</u>	<u>-</u>	<u>74,092</u>
Total Expenses	<u>7,245,622</u>	<u>5,743,430</u>	<u>23,561</u>	<u>166,259</u>	<u>7,269,183</u>	<u>5,909,689</u>
Change in Net Position	<u>\$ 826,316</u>	<u>\$ 763,029</u>	<u>\$ (7,198)</u>	<u>\$ (10,321)</u>	<u>\$ 819,118</u>	<u>\$ 752,708</u>

In 2021, total revenues increased by \$1.42 million about 21% compared to total revenues in 2020. Total expenses in 2021 increased by \$1.35 million about 23%.

Governmental Activities

The Statement of Activities reflects the cost of program services and the charges for services and operating grants and contributions offsetting those services. The table below, for government activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by unrestricted state entitlements for the fiscal year ended June 30, 2021.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED

	<u>Total Cost of Services</u>	<u>Total Cost of Services</u>	<u>Grants/ Contributions</u>	<u>Net Cost of Services</u>
Instruction	\$ 4,865,473	\$ -	\$ 1,667,447	\$ (3,198,026)
Administrative	1,210,767	-	253,681	(957,086)
Support services	1,087,410	3,620	208,737	(875,053)
Unallocated:				
Capital outlay	70,367	-	-	(70,367)
Depreciation	11,605	-	-	(11,605)
Total Expenses	<u>\$ 7,245,622</u>	<u>\$ 3,620</u>	<u>\$ 2,129,865</u>	<u>\$ (5,112,137)</u>

Business-Type Activities

The Charter School’s food service is administered by the Jersey City Public Schools (School District). The financial transactions, lunch applications for free and reduced meals, and statistical records related to the school food service are maintained by the School District.

The Charter School’s Funds

The Charter School’s governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had revenues of \$7.24 million and expenditures of \$7.17 million.

General Fund Budgeting Highlights

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

During the course of fiscal year 2021, the Charter School amended its General Fund budget as needed. The Charter School uses state-aid and other revenue-based budget. The budgeting systems are designed to tightly control total budget but provide flexibility for Charter School management teams.

For the General Fund, final budgeted revenues were \$6.07 million which included a local tax levy of \$1.62 million. Expenditures were budgeted at \$6.40 million. The Charter School anticipated \$0.33 million decrease in fund balance. In fiscal year 2020-2021, actual revenues were \$6.66 million, and expenditures were \$6.58 million.

The State of New Jersey reimbursed the Charter School \$0.14 million during the year ended June 30, 2021 for the employer’s share of social security contributions for TPAF members while on-behalf pension, post-retirement medical benefits and long-term disability insurance contributions amounted to \$0.58 million. These unbudgeted amounts are included in both revenues and expenditures.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Capital Assets

At the end of fiscal year 2021, the Charter School had \$1.35 million invested in capital assets.

Economic Factors and Next Year's Budget

The State of New Jersey continues to face serious budgetary constraints. These impacts the amount of state aid allocated to charter schools. This reality was taken into account when adopting the general fund budget for 2020-2021. Nothing was done to compromise the quality of the programs in place in our Charter School during the regular instructional day. The budget was prepared to ensure that all students have the textbooks, materials supplies, equipment and programs they need to meet New Jersey's Core Curriculum Content Standards.

For the Future

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

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

Contacting the Charter School's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to reflect the Charter School's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to: Jersey City Global Charter School, Business Office, 255 Congress Street, Jersey City, New Jersey 07307.

BASIC FINANCIAL STATEMENTS

CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS

This Statement of Net Position and the Statement of Activities display information about the Charter School as a whole. The Statement of Net Position presents the financial condition of the government and business-type activities of the Charter School at fiscal year-end. The Statement of Activities presents a comparison between direct expense and program revenues for each program or function of the Charter School's governmental and business-type activities.

JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)

STATEMENT OF NET POSITION

JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 1,464,072	\$ 11,000	\$ 1,475,072
Accounts receivable	443,178	3,120	446,298
Other current assets	25,000	-	25,000
Total current assets	<u>1,932,250</u>	<u>14,120</u>	<u>1,946,370</u>
Capital assets:			
Leasehold improvements in-progress	1,327,763	-	1,327,763
Machinery and equipment	101,147	4,152	105,299
	<u>1,428,910</u>	<u>4,152</u>	<u>1,433,062</u>
Less: Accumulated depreciation	86,480	1,522	88,002
Net capital assets	<u>1,342,430</u>	<u>2,630</u>	<u>1,345,060</u>
Total assets	<u>3,274,680</u>	<u>16,750</u>	<u>3,291,430</u>
Deferred Outflows of Resources	<u>718,708</u>	<u>-</u>	<u>718,708</u>
Liabilities			
Current Liabilities:			
Accounts payable	142,349	7,520	149,869
Payroll deductions and withholdings	14,190	-	14,190
Intergovernmental payable:			
State	111,944	-	111,944
Federal	34,870	-	34,870
Interfund payables (internal)	12,473	(12,473)	-
Deferred revenues	8,769	247	9,016
Total current liabilities	<u>324,595</u>	<u>(4,706)</u>	<u>319,889</u>
Noncurrent liabilities			
Due within one year	71,779	-	71,779
Due in more than one year	1,244,176	-	1,244,176
	<u>1,315,955</u>	<u>-</u>	<u>1,315,955</u>
Total liabilities	<u>1,640,550</u>	<u>(4,706)</u>	<u>1,635,844</u>
Deferred Inflows of Resources	<u>520,341</u>	<u>-</u>	<u>520,341</u>
Net Position			
Net Investment in capital assets, net of related debt	932,754	2,630	935,384
Restricted for:			
Student activities	-	-	-
Unrestricted	899,743	18,826	918,569
Total Net Position	<u>\$ 1,832,497</u>	<u>\$ 21,456</u>	<u>\$ 1,853,953</u>

JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Totals
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction	\$ 4,865,473	\$ -	\$ 1,667,447	\$ (3,198,026)	\$ -	\$ (3,198,026)
Administrative cost	1,210,767	-	253,681	(957,086)	-	(957,086)
Support services	1,087,410	3,620	208,737	(875,053)	-	(875,053)
Unallocated:						
Capital outlay	70,367	-	-	(70,367)	-	(70,367)
Depreciation	<u>11,605</u>	<u>-</u>	<u>-</u>	<u>(11,605)</u>	<u>-</u>	<u>(11,605)</u>
Total governmental activities	7,245,622	3,620	2,129,865	(5,112,137)	-	(5,112,137)
Business-type activities:						
Food Service	23,561	770	15,593	-	(7,198)	(7,198)
After Care	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 7,269,183</u>	<u>\$ 4,390</u>	<u>\$ 2,145,458</u>	<u>\$ (5,112,137)</u>	<u>\$ (7,198)</u>	<u>\$ (5,119,335)</u>
General revenues, transfers and special items:						
Local sources				\$ 1,622,115	\$ -	\$ 1,622,115
State sources				4,273,132	-	4,273,132
Miscellaneous				<u>43,206</u>	<u>-</u>	<u>43,206</u>
Total general revenues, transfers and special items				<u>5,938,453</u>	<u>-</u>	<u>5,938,453</u>
Changes in net position				826,316	(7,198)	819,118
Net position - beginning				<u>999,027</u>	<u>28,654</u>	<u>1,027,681</u>
Prior period adjustments				<u>7,154</u>	<u>-</u>	<u>7,154</u>
Net position - beginning, as restated				<u>1,006,181</u>	<u>28,654</u>	<u>1,034,835</u>
Net position - ending (A-1)				<u>\$ 1,832,497</u>	<u>\$ 21,456</u>	<u>\$ 1,853,953</u>

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 1,460,831	\$ 3,241	\$ 1,464,072
Interfunds accounts receivable	101,051	-	101,051
Accounts receivables:			
Federal	-	173,832	173,832
State	269,346	-	269,346
Security deposit	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total assets	<u>\$ 1,856,228</u>	<u>\$ 177,073</u>	<u>\$ 2,033,301</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 109,966	\$ 32,383	\$ 142,349
Payroll deductions and withholdings payable	14,190	-	14,190
Interfund accounts payable	12,473	101,051	113,524
Intergovernmental payables:			
State	111,944	-	111,944
Federal	-	34,870	34,870
Deferred revenue	<u>-</u>	<u>8,769</u>	<u>8,769</u>
Total liabilities	<u>248,573</u>	<u>177,073</u>	<u>425,646</u>
Fund balances:			
Restricted:			
Student activities	-	-	-
Assigned	218,439	-	218,439
Unassigned	<u>1,389,216</u>	<u>-</u>	<u>1,389,216</u>
Total fund balances	<u>1,607,655</u>	<u>-</u>	<u>1,607,655</u>
Total liabilities and fund balances	<u>\$ 1,856,228</u>	<u>\$ 177,073</u>	

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

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

Cost of capital assets	\$ 1,428,910
Accumulated depreciation	<u>(86,480)</u>
	<u>1,342,430</u>

Governmental funds do not report the effect of assets or liabilities related to net pension assets (liabilities) whereas these amounts are deferred and amortized in the statement of activities.

Deferred amounts on net pension liability	<u>198,367</u>
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Long-term liabilities, including capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Loans payable	(409,676)
Net pension liability	<u>(906,279)</u>
	<u>(1,315,955)</u>

Net position of governmental activities - A-1

\$ 1,832,497

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Total
Revenues			
Local Sources:			
Local tax levy	\$ 1,622,115	\$ -	\$ 1,622,115
Miscellaneous	43,206	3,620	46,826
Total revenues - local sources	1,665,321	3,620	1,668,941
Federal sources	-	576,416	576,416
State sources	4,273,132	-	4,273,132
Reimbursed TPAF - Social Security (non-budgeted)	144,569	-	144,569
On-behalf Teachers' Pension and Annuity Fund pension contributions (non-budgeted)	440,083	-	440,083
On-behalf Teachers' Pension and Annuity Fund post-retirement medical (non-budgeted)	137,915	-	137,915
On-behalf Teachers' Pension and Annuity Fund non-contributory insurance (non-budgeted)	692	-	692
Total revenues	<u>6,661,712</u>	<u>580,036</u>	<u>7,241,748</u>
Expenditures			
Current expense:			
Regular instruction	2,430,273	405,749	2,836,022
Special education instruction	135,974	-	135,974
Support services and undistributed costs:			
Student and instruction related services	110,386	181,441	291,827
Other administrative services	683,626	-	683,626
School administrative services	146,432	-	146,432
Plant operations and maintenance	738,450	-	738,450
Personal services - employee benefits	1,323,030	-	1,323,030
Capital outlay	1,013,179	-	1,013,179
Total expenditures	<u>6,581,350</u>	<u>587,190</u>	<u>7,168,540</u>
Excess of revenues over expenditures	80,362	(7,154)	73,208
Fund balances at beginning of the year, as reported	1,527,293	-	1,527,293
Prior period adjustments	-	7,154	7,154
Fund balances at beginning of the year, as restated	<u>1,527,293</u>	<u>7,154</u>	<u>1,534,447</u>
Fund balances at end of year	<u>\$ 1,607,655</u>	<u>\$ -</u>	<u>\$ 1,607,655</u>

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2021

Total net change in fund balances - governmental funds (B-2) \$ 73,208

**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 depreciation expense exceeded capital outlays in the period.

Capital outlay	\$ 942,597	
Depreciation expense	<u>(11,605)</u>	930,992

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Payments to loans payable		215
Pension costs		<u>(178,099)</u>

Change in net position of governmental activities (A-2) \$ 826,316

PROPRIETARY FUNDS

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

PROPRIETARY FUND

STATEMENT OF NET POSITION

JUNE 30, 2021

	FOOD SERVICE	AFTER CARE	TOTAL
Assets			
Current assets:			
Cash and cash equivalents	\$ 10,753	\$ 247	\$ 11,000
Accounts receivable:			
Federal	2,981	-	2,981
State	139	-	139
Interfund receivable - General Fund	<u>12,473</u>	<u>-</u>	<u>12,473</u>
Total current assets	<u>26,346</u>	<u>247</u>	<u>26,593</u>
Capital assets			
Machinery and equipment	4,152	-	4,152
Less: Accumulated depreciation	<u>(1,522)</u>	<u>-</u>	<u>(1,522)</u>
Net capital assets	<u>2,630</u>	<u>-</u>	<u>2,630</u>
Total assets	<u>\$ 28,976</u>	<u>\$ 247</u>	<u>\$ 29,223</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 7,520	\$ -	\$ 7,520
Deferred Revenue	-	247	247
Interfund payable (internal)	<u>1,260</u>	<u>(1,260)</u>	<u>-</u>
	<u>8,780</u>	<u>(1,013)</u>	<u>7,767</u>
Net position			
Unrestricted	<u>20,196</u>	<u>1,260</u>	<u>21,456</u>
Total liabilities and net position	<u>\$ 28,976</u>	<u>\$ 247</u>	<u>\$ 29,223</u>

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

YEAR ENDED JUNE 30, 2021

	<u>FOOD SERVICE</u>	<u>AFTER CARE</u>	<u>TOTAL</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 770	\$ -	\$ 770
After school fees	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>770</u>	<u>-</u>	<u>770</u>
Operating expenses:			
Supplies and materials - reimbursable programs	14,883	-	14,883
Salaries	7,000	-	7,000
Depreciation	830	-	830
Miscellaneous	<u>848</u>	<u>-</u>	<u>848</u>
Total operating expenses	<u>23,561</u>	<u>-</u>	<u>23,561</u>
Operating loss	<u>(22,791)</u>	<u>-</u>	<u>(22,791)</u>
Nonoperating revenues:			
State sources:			
State School Lunch Program	608	-	608
Federal sources:			
National School Lunch Program	9,812	-	9,812
National School Breakfast Program	<u>5,173</u>	<u>-</u>	<u>5,173</u>
Total nonoperating revenues	<u>15,593</u>	<u>-</u>	<u>15,593</u>
Changes in net position	(7,198)	-	(7,198)
Total net position at beginning of year	<u>27,394</u>	<u>1,260</u>	<u>28,654</u>
Total net position at end of year	<u>\$ 20,196</u>	<u>\$ 1,260</u>	<u>\$ 21,456</u>

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

PROPRIETARY FUND

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

	<u>FOOD SERVICE</u>	<u>AFTER CARE</u>	<u>TOTAL</u>
Cash flows from operating activities			
Operating loss	\$ (22,791)	\$ -	\$ (22,791)
Adjustment to reconcile operating income to net cash from operating activities:			
Depreciation	830	-	830
Changes in assets and liabilities:			
Accounts receivable	(2,724)	-	(2,724)
Interfund receivable	(12,473)	-	(12,473)
Accounts payable	3,368	-	3,368
Interfund payable - General fund	-	-	-
Deferred revenue	-	247	247
Net cash from operating activities	<u>(33,790)</u>	<u>247</u>	<u>(33,543)</u>
Cash flows from noncapital financing activities			
Cash received from state and federal reimbursements	<u>15,593</u>	<u>-</u>	<u>15,593</u>
Cash flows from investing activities			
Purchase of property, plant & equipment	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(18,197)	247	(17,950)
Cash and cash equivalents at beginning of the year	<u>28,950</u>	<u>-</u>	<u>28,950</u>
Cash and cash equivalents at end of year	<u>\$ 10,753</u>	<u>\$ 247</u>	<u>\$ 11,000</u>

FIDUCIARY FUNDS

Trust Fund. Accounts for assets held in a trustee capacity for others and therefore cannot be used to support the Charter School's own programs which are as follow:

- a. Pension and Other Employee Benefit Trust. Accounts for resources held in trust for the members and beneficiaries of various employee benefit plans.
- b. Investment Trust Fund. Accounts for the portion of investment pools reported by the sponsoring district.
- c. Private Purpose Trust Fund. Accounts for all other trust arrangements, such as a scholarship fund to benefit individual students.

Custodial Fund. Accounts for resources held by the Charter School in a purely custodial capacity that involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Charter School must maintain the financial integrity of the individual agencies through a separate accounting of each activity for which the Charter School is acting as an agent. Custodial funds would include parent-teacher organizations.

At June 30, 2021, the Charter School do not have a Trust Fund nor Custodial Fund.

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Charter School is an instrumentality of the State of New Jersey, established to function as an educational institution. The school is governed by an independent Board of Trustees, which consists of parents, founders and other community representatives in accordance with its charter, which was appointed by the State Department of Education. An administrator is appointed by the board and is responsible for the administrative control of the Charter School.

B. Component Units

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the Government Accounting Standard Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the Charter School management. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, and ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the Charter School. Based on the aforementioned criteria, the Charter School has no component units.

C. Basis of Presentation

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

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

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basis of Presentation - Continued

In June 1999, the GASB unanimously approved Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. Certain of the significant changes in the financial statements include the following:

The financial statements include:

- i) A Management’s Discussion and Analysis (MD&A) section providing an analysis of the Charter School’s overall financial position and results of operations.
- ii) Financial statements prepared using full accrual accounting for all of the Charter School’s activities.
- iii) A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

D. Basic Financial Statements

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

Government-wide Financial Statements

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

The statement of net position presents the financial condition of the governmental and business-type activities of the Charter School at 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 and business-type activities. The governmental activities generally are financed through federal and state awards, taxes and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Basic Financial Statements - Continued

Fund Financial Statements

Fund financial statements of the Charter School are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Charter School.

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

E. Governmental Funds

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

- 1) As required by the New Jersey Department of Education, the Charter School included budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.
- 2) Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of ground, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

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

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Governmental Funds - Continued

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. As of June 30, 2021, there was no Capital Projects Fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on, bonds issued to finance major property acquisitions, construction, and improvement programs. As of June 30, 2021, there was no debt service fund.

F. Proprietary Funds

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

Enterprise Funds:

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

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 total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenue) and decreases (expenses) in net total assets.

Internal Service (Self-Insurance) Fund:

The Self-Insurance Fund is used to cover the self-insured limits of the various insurance policies for all funds. Charter School does not use self-insurance fund.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G. Fiduciary Funds

Fiduciary funds are classified as follows:

Trust Fund. Accounts for assets held in a trustee capacity for others and therefore cannot be used to support the Charter School's own programs. Three trust fund types discussed below are used to account for resources held and administered by the Charter School when it is acting in a fiduciary capacity for individuals, private organizations or other governmental units. These funds are distinguished from custodial funds generally by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

- a. Pension and Other Employee Benefit Trust. Accounts for resources held in trust for the members and beneficiaries of various employee benefit plans.
- b. Investment Trust Fund. Accounts for the portion of investment pools reported by the sponsoring district.
- c. Private Purpose Trust Fund. Accounts for all other trust arrangements, such as a scholarship fund to benefit individual students.

Custodial Fund. Accounts for resources held by the Charter School in a purely custodial capacity that involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Charter School must maintain the financial integrity of the individual agencies through a separate accounting of each activity for which the Charter School is acting as an agent. Custodial funds would include parent-teacher organizations. The Charter School do not have a fiduciary activity as of and for the year ended June 30, 2021.

H. Measurement Focus and Basis of Accounting

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

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Measurement Focus and Basis of Accounting - Continued

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

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

In the fund financial statements, governmental fund and agency funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available.

“Measurable” means the amount of the transaction can be determined and “available” means collectible with the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues.

I. Budgets/Budgetary Control

Annual appropriated budgets are prepared prior to July 1, for the General Fund. The budget is prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A. 2(m)1. All budget amendments must be approved by the State Department of Education. Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

I. Budgets/Budgetary Control - Continued

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the special revenue fund as noted below. 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 special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognized encumbrances as expenditures and also recognized the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow of the presentation of GAAP basis financial report. As presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenue Fund and Debt Service Funds to the GAAP basis of accounting as presented in the Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds.

J. Deposits, Investments and Risk Disclosure

Cash and cash equivalents includes amounts in deposits, money market accounts and short-term investments with original maturities of three months or less.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity of any discount or premium. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40 replaces in part, and otherwise modifies the prior GASB Statement No. 3, in addressing the requirements for disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments. Custodial credit risk disclosures are limited to deposits that are not covered by depository insurance and are (a) uncollateralized; (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Deposits, Investments and Risk Disclosure - Continued

Deposits

New Jersey statutes require that Charter Schools deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Charter Schools are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows: The market value of the collateral must equal at least five percent of the average daily balance of collected public funds on deposit.

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

Investments

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

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

As of June 30, 2021, the Charter School did not hold any investments.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Deposits, Investments and Risk Disclosure - Continued

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. Although GASB Statement No. 40 eliminated Categories 1 and 2 as previously established by GASB Statement No. 3, it maintained, with modification, the level-of-disclosure requirements of GASB Statement No. 3.

As of June 30, 2021, the Board had funds invested and on deposit in checking accounts. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and modified by GASB Statement No. 40, and as such, are deposits that are insured or collateralized with securities held by the Board or by its agent in the Board's name, both at year-end and throughout the year.

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

K. Prepaid Expenses

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

L. Interfund Assets/Liabilities

On the fund financial statements, receivables and payables resulting from short-term Interfund loans are classified as Interfund Receivable/Payable. Interfund balanced within governmental activities and within business-type activities are eliminated on the charter school-wide Statement of Net Position.

M. Fixed Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the Charter School as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation based for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

M. Fixed Assets - Continued

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the governmental fund capital assets.

Donated capital assets are capitalized at estimated fair market value on the date donated. Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of the depreciable capital assets are as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building improvements	20
Office and computer equipment	5-10 years

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

O. Compensated Absences

The Charter School accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB Statement No. 16, *Accounting for Compensated Absences*. A liability for compensated absences that are 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 sick and vacation leave in varying amounts under the Charter School's personnel policies and according to negotiated contracts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave. Vacation days not used during the year may only be carried forward with approval from the Head of School.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

O. Compensated Absences - Continued

In the charter school-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, there are no liabilities for compensated absences.

P. Net Pension Liability (Asset)

The net pension liability (asset) represents the Charter School's proportionate share of the net pension liability (asset) of the New Jersey State Pension Employees' Retirement System and the New Jersey State Teachers' Pension and Annuity Fund System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Q. Deferred Revenue

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

R. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprises fund are reported and the enterprises fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payments during the current year.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

S. Fund Balance and Equity

Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Charter School is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law or Education Law.

Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. These funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain designations established and approved by the entity's governing board.

Assigned fund balance, in the General Fund, will represent amounts constrained either by the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. This classification will include amounts designated for balancing the subsequent year's budget and encumbrances. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

S. Fund Balance and Equity - Continued

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Charter School's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Charter School's policy to use fund balance in the following order: committed, assigned, and unassigned.

T. Net Position

Net Position on the *Statement of Net Position* include the following:

Investments in Capital Assets, net of Related Debt - the component of net asset there reports the differences between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributed to the acquisition, construction or improvement of those assets.

Restricted for Specific Purposes – the component of net position that reports the difference between assets and liabilities of the certain programs that consist of assets with constraints placed on their use by either external parties and /or enabling legislation.

Restricted for Debt Service – the component of net position that reports the difference between assets and liabilities of the Debt Service Fund that consists of assets with constraints placed on their use by creditors.

Unrestricted - the difference between the assets and liabilities that is not reported in Net Position Invested in Capital Assets, net of Related Debt, Net Position Restricted for Specific Purposes or Net Position Restricted for Debt Services.

U. Contributed Capital

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

V. Interfund Transactions

Interfund transfers are defined as the flow of assets, such as cash or goods, without equivalent flows of assets in return. Interfund borrowings are reflected as “Due from/to Other Funds” on the accompanying financial statements. All other interfund transfers are reported as operating transfers.

W. Use of Estimates

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

X. Accounting for Uncertainty in Income Taxes

The Charter School recognizes the effect of income tax positions only of those positions are more likely than not of being sustained. Management has determined that the Charter School had no uncertain tax positions that would require financial statement recognition. The Charter School is no longer subject to audits by the applicable taxing jurisdictions for tax periods prior to 2018.

Y. On-Behalf Payments

Revenues and expenditures of the General Fund include payment made by the State of New Jersey for Pension and social security contributions for certified teacher members of the New Jersey Teachers Pension and Annuity Fund, and for post-retirement medical benefits of members. The amounts are not required to be included in the Charter School’s annual budget.

Z. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 14, 2021.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 2 ACCOUNTING PRONOUNCEMENTS

A. Accounting Pronouncement Adopted During the year

On July 1, 2020, the Charter School adopted Statement No. 84, *Fiduciary Activities and Implementation Guide No. 2019-2*. GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists.

Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Determining whether an activity is fiduciary can be a challenge. Governmental Accounting Standards Board (GASB) recently issued Implementation Guide No. 2019-2, *Fiduciary Activities*. The Implementation Guide, which is an authoritative document, includes questions and answers on topics such as identifying fiduciary activities and reporting fiduciary activities: Implementation Guide No. 2019-2, *Fiduciary Activities*.

The adoption of the GASB No. 84, resulted to the following:

Student Activity Funds are Reported in the Special Revenue Fund effective July 1, 2020

The revenue sources for the Student Activity Fund are solely for the fees and dues collected and they are restricted for the specifically identified student activity. N.J.A.C. 6A:23A-16.12 governs the establishment and operation of the Student Activity Fund restricting expenditures within the fund and prohibiting the transfer of any unspent balances to any other fund.

This adoption resulted to a restatement of July 1, 2020 net position of governmental funds to increase total assets and restricted net position of \$7,154 in the governmental activities' Statement of Net Position.

Payroll Funds are Reported in the General Fund effective July 1, 2020

Payroll Clearing Funds do not meet the definition of fiduciary activities prescribed in GASB No. 84 paragraph 11, they are accounted for and reported in the General Fund. Any unremitted balance at year-end is reported as a liability on Schedule B-1. Assets and liabilities for the Payroll Clearing Funds were reported as assets and liabilities in the Governmental Funds Balance Sheet under General Fund. This adoption did not result to a restatement of the July 1, 2020 net position. However, the adoption resulted to an increase in total assets and liabilities of \$14,880 in the governmental activities' Statement of Net Position.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 2 ACCOUNTING PRONOUNCEMENTS - CONTINUED

A. Accounting Pronouncement Adopted During the year - Continued

GASB Statement No. 90, *Majority Equity Interests* – An Amendment of GASB Statements No. 14 and No. 61, (GASBS 90). GASBS 90 defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The Charter School do not hold an equity interest in an investment, therefore the adoption did not have an effect on the Charter School's financial statements.

B. Accounting Pronouncements Issued but not Yet Adopted

Statement No. 87 and Implementation Guide No. 2019-3, *Leases*, effective for reporting periods beginning after June 15, 2021, and all reporting periods thereafter. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Charter School is currently evaluating the impact of this Statement.

Statement No. 91, *Conduit Debt Obligations*, reporting periods beginning after December 15, 2021. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Currently, the Charter School do not have conduit debt obligation and expects that the adoption of this in fiscal year 2022 will not have an impact on the Charter School's financial statements.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 2 ACCOUNTING PRONOUNCEMENTS - CONTINUED

B. Accounting Pronouncements Issued but not Yet Adopted

Statement No. 93, *Replacement of Interbank Offered Rates* effective for fiscal years beginning after June 15, 2021. The objective of GASB 93 is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate. The Charter School is currently assessing effect on its financial statement.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangement* effective for fiscal years beginning after June 15, 2022 or fiscal year 2023. The objective of GASB 94 is to improve financial reporting related to public-private and public-public partnership arrangements (PPP). It provides accounting and financial reporting guidance for availability payment arrangements (APA) and establishes definitions of PPPs and APAs and provides uniform guidance on accounting and financial reporting for transactions that meet definitions. The Charter School is currently assessing effect on its financial statement.

Statement No. 96, *Subscription-Based Information Technology Arrangement (SBTA)* effective for fiscal year beginning after June 15, 2022. GASB No. 96 establishes uniform accounting and financial reporting requirements, improves comparability of financial statements and enhances information. It establishes that SBITA results in an intangible asset and a subscription liability and provides capitalization criteria for other than subscription payments. The Charter School is currently assessing effect on its financial statement.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Section 457 Deferred Compensation Plans* effective for fiscal years beginning after June 15, 2021. GASB 97 creates an exception, allowing defined contribution pension plans, defined contribution OPEB plans, and certain Section 457 plans who do not have a board to be excluded from consideration as a component unit. The Charter School is currently assessing effect on its financial statement.

Statement No. 98, *The Annual Comprehensive Financial Report* effective for fiscal years ending after December 15, 2021. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The Charter School will adopt this change in fiscal year 2022.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 CASH AND CASH EQUIVALENTS

The Charter School's cash and cash equivalents are classified below to inform financial statement users about the extent to which the Charter School's deposits and investments are exposed to custodial credit risk.

As of June 30, 2021, the Charter School's carrying amount of deposits and investments are as follows:

	General Fund	Special Revenue Fund	Enterprise Fund	Total
Operating account	\$ 1,385,831	\$ -	\$ 11,000	\$ 1,396,831
Cash restricted for student activities	-	3,241	-	3,241
Interest-bearing account	75,000	-	-	75,000
Total	<u>\$ 1,460,831</u>	<u>\$ 3,241</u>	<u>\$ 11,000</u>	<u>\$ 1,475,072</u>

Operating cash accounts are held in the Charter School's name by several banking institutions. At June 30, 2021, the Charter School's carrying amount of deposits was \$1,456,951 and the bank balance was \$1,525,835. Of the bank balance, up to a maximum of \$250,000 of the Charter School's cash deposits on June 30, 2021 were secured by federal deposit insurance and \$1,275,835 was covered by a collateral pool maintained by the bank as required by New Jersey statutes in accordance with the New Jersey Governmental Unit Deposit Protection Act ("GUDPA").

Escrow

The Charter School has established and funded an Escrow Account pursuant to an agreement signed with the New Jersey Department of Education. The required minimum is \$75,000 which is fully funded at June 30, 2021. The agreement stipulates that the intended use of the escrow amount is "to pay for legal and audit expenses and any other outstanding pension benefits that would be associated with a dissolution should it occur.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021 was as follows:

Governmental Activities	Beginning Balance	Net Additions (Deletions)	Ending Balance
Capital assets being depreciated:			
Machinery and equipment	\$ 96,959	\$ 4,188	\$ 101,147
Leasehold improvements in-progress	<u>389,354</u>	<u>938,409</u>	<u>1,327,763</u>
Total	486,313	942,597	1,428,910
Less Accumulated depreciation	<u>(74,875)</u>	<u>(11,605)</u>	<u>(86,480)</u>
Capital assets, net	<u>\$ 411,438</u>	<u>\$ 930,992</u>	<u>\$ 1,342,430</u>
Business-Type Activities			
Machinery and equipment	\$ 4,152	\$ -	\$ 4,152
Less Accumulated depreciation	<u>(692)</u>	<u>(830)</u>	<u>(1,522)</u>
Capital assets, net	<u>\$ 3,460</u>	<u>\$ (830)</u>	<u>\$ 2,630</u>

NOTE 5 NONCURRENT LIABILITIES

During the fiscal year ended June 30, 2021, long-term liabilities reported in the Statement of Net Position are as follows:

Noncurrent Liabilities	Balance at June 30, 2020	Additions	Maturities/ Payments	Balance at June 30, 2021	Due within One Year
Net Pension Liability	\$ 597,124	\$ 369,951	\$ (60,796)	\$ 906,279	\$ 71,779
Loans payable	<u>409,891</u>	<u>-</u>	<u>(215)</u>	<u>409,676</u>	<u>-</u>
Total	<u>\$ 1,007,015</u>	<u>\$ 369,951</u>	<u>\$ (61,011)</u>	<u>\$ 1,315,955</u>	<u>\$ 71,779</u>

The net pension liability classified as due within one year amounting to \$71,779 represents pension contributions for fiscal year 2021 due and payable on April 1, 2022.

**JERSEY CITY GLOBAL CHARTER SCHOOL
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 6 LOAN PAYABLE

On February 20, 2020, the Community Loan Fund of New Jersey, Inc. approved the Charter School for a Leasehold improvement Loan amounting to \$1,200,000. As of June 30, 2021, the Charter School drawdown \$409,676. The loan proceeds will be used exclusively for leasehold improvements and renovation of existing office space to be used as classrooms, common area, teacher’s preparation space and administrative office of the Charter School.

The loan has a term of nine months with two- or three-month extension option at the sole discretion of the lender with an interest-only payment of 6.5%.

The loan is convertible to a permanent loan not to exceed 180 months. Monthly principal and interest payments will be due based on a 180-month amortization schedule. It will mature on the first day of the 180th day following closing. Upon conversion to a Permanent Loan, the rate will be set at the equivalent average of 10 year and 20-year term Federal Financial Bank rate plus 4.110%.

The Loan is secured by a First Mortgage lien on real property, fixtures and improvements, located at the Property, assignment of all leases and rents and a first security interest under the Uniform Commercial Code in all of the Charter School’s assets. Seventy five percent (75%) of the loan and permanent loan facilities are also guaranteed by the Community Loan Fund of New Jersey, Inc.’s United States Department of Education Charter Schools Facilities grant. Reduction in the amount of guaranty funds allocated to the Loan will be matched to the amount of loan principal outstanding at the end of each quarter.

As of June 30, 2021, outstanding loan payable amounted to \$409,676. Principal and interest expense paid for the year ended June 30, 2021 amounted to \$215 and \$26,561, respectively.

NOTE 7 NET POSITION

As of June 30, 2021, business-type activities net position did not have any capital assets or restrictions, while governmental activities net position consisted of the following components:

<u>INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Capital assets, net	\$ 1,342,430	\$ 2,630	\$ 1,345,060
Less: Long-term obligations	(409,676)	-	(409,676)
	932,754	2,630	935,384
 <u>RESTRICTED</u>			
<u>Restricted for:</u>			
Food service	\$ -	\$ -	\$ -
Student activities	-	-	-
	-	-	-
 <u>UNRESTRICTED</u>			
Net position not restricted above	899,743	18,826	918,569
 NET POSITION	\$ 1,832,497	\$ 21,456	\$ 1,853,953

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 PENSION PLANS

A. Description of Plans

All eligible employees of the Charter School are covered by either the Public Employee's Retirement System (PERS) or the Teacher's Pension and Annuity Fund (TPAF) which have been 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 PERS and the TPAF. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

i. Teachers Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established in January 1, 1995, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full-time certified teachers or professional staff of the public school systems in the State. The Teacher's Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Charter School and the systems other related non-contributing employers.

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.

ii. Public Employees' Retirement System (PERS)

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

**JERSEY CITY GLOBAL CHARTER SCHOOL
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 PENSION PLANS - CONTINUED

B. Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A 43:15a and 4303B 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. Retirement 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.

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.

C. Significant Legislation

Two pieces of legislation passed during fiscal year 2001 having significant impact on the benefit provisions under PERS and TPAF. Chapter 133, P.L.2001, increases retirement benefits for service, deferred and early retirements by changing the formula from 1/60 to 1/55 of final compensation for each year of service. The legislation also increases the retirement benefit for veteran member with 35 years or more of service and reduces age qualification from 60 to 55. The legislation further provides that existing retirees and beneficiaries would also receive a comparable percentage increase in their retirement allowance. The benefit enhancements are effective with the November 1, 2001 benefit checks. Chapter 120, P.L. 2001, established an additional retirement option for plan members. Under the new option, a retiree's actuarially reduced allowance (to provide a benefit to the retiree's beneficiary upon the death of the retiree) would "pop-up" to the maximum retirement allowance if the beneficiary predeceases the retiree.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 PENSION PLANS - CONTINUED

C. Significant Legislation - Continued

Chapter 4, P.L. 2001 provides increased benefit to certain members of PERS who retired prior to December 29, 1989 with at least 25 years of creditable service. The maximum amount of the increase is 5 percent the retiree's final compensation. For those with 30 or more years of service, the total pension would increase from 65 to 71 percent of final compensation. Due to the enactment of 1997 legislation, Chapter 114, P.L. 1997 and Chapter 115, P.L. 1997, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated. In addition, excess valuation assets were available to fund, in full or in part, the State of New Jersey's normal contribution from 1997 to 2001, excluding the contribution for post-retirement medical benefits in the PERS and TPAF.

D. Contribution Requirement

The contribution policy is set by laws of the State of New Jersey and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.06% for PERS and TPAF of the employee's annual compensation. 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 adjustment, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Charter School is a non-contributing employer of the TPAF. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Charter School.

The Charter School's contribution to PERS for the year ended June 30, 2021 was \$60,796.

The State of New Jersey was required to contribute for TPAF on behalf of the Charter School, for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) and post-retirement medical contribution amounting to \$577,998. In addition, for fiscal year 2021, the State of New Jersey contributed \$692 for TPAF Long-term Disability Insurance Premiums (LTDI).

In accordance with N.J.S.A 18A:66-66 the State of New Jersey reimbursed the Charter School \$144,569 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the basic financial statements.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 PENSION PLANS - CONTINUED

D. Contribution Requirement - Continued

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The social contribution for TPAF members are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure.

E. GASB 68 Disclosures

i. Public Employees' Retirement System (PERS)

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, 2021, the Charter School reported in the Charter School-wide statement of net position a liability of \$906,279 for its proportionate share of the PERS net pension liability. The total pension liability was measured as of June 30, 2020 as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Charter School's proportionate share of the net pension liability was based on the ration of contributions as an individual employer to the total contributions to the PERS as of June 30, 2020 measurement date. At June 30, 2021, the Charter School's proportionate share was 0.0055574774% which is an increase from the proportionate share of 0.0033139529% at June 30, 2020 measurement date.

For the year ended June 30, 2021, the Charter School recognized pension expense of \$178,099. At June 30, 2020 measurement date, the Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

i. Public Employees' Retirement System (PERS) - continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 16,502	\$ 3,205
Changes of assumptions	29,401	379,468
Net difference between projected and actual earnings on pension plan investments	30,977	-
Change in proportion and differences between Charter School contributions and proportionate share contributions	<u>641,828</u>	<u>137,668</u>
	<u>\$ 718,708</u>	<u>\$ 520,341</u>

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

	<u>Year Ended June 30,</u>
2021	\$ 69,487
2022	53,883
2023	18,402
2024	21,775
2025	34,820

Actuarial assumptions. The collective total pension liability for the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases	
Through 2026	2.00% – 6.00% based on years of service
Thereafter	3.00% – 7.00% based on years of service
Investment rate of return	7.00%

**JERSEY CITY GLOBAL CHARTER SCHOOL
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

i. Public Employees' Retirement System (PERS) - continued

Pre-retirement mortality rates were based on 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 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial valuation study for the period July 1, 2014 to June 30, 2018.

Long-term Expected Rate of Return. In accordance with the State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2018, are summarized in the following table:

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

i. Public Employees' Retirement System (PERS) – continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	50.00%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
Total	100.00%	

Discount rate. The discount rate used to measure the total pension liability was 7% as of June 30, 2020 measurement date. 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 and nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions from local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of all current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Charter School's Proportionate share of the net pension liability to changes in the discount rate. The following presents the Charter School's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the 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:

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

i. Public Employees' Retirement System (PERS) - continued

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Charter School's proportionate share of the net pension liability	<u>\$1,149,825</u>	<u>\$ 906,279</u>	<u>\$ 712,797</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

ii. Teachers Pension and Annuity Fund (TPAF)

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 Pensions

In accordance with N.J.S.A. 18:66-33, the employer contributions for the Charter School is legally required to be funded by the State. This is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. As such, there is no net pension liability or deferred outflows or inflows to report in the financial statements of the Charter School.

For the year ended June 30, 2021, the Charter School recognized pension expense and related revenue of \$614,965 in the Charter School-wide financial statements for its proportionate share in the special funding support provided by the State for its TPAF members.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

ii. Teachers Pension and Annuity Fund (TPAF)

The State's proportionate share of the net pension liability attributable to the Charter School was based on the ratio on the State's contribution as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF for the June 30, 2020 and 2019 measurement dates, respectively. At June 30, 2021 and 2020, the State's proportion of the net pension liability attributable to Charter School was 0.0150183578% and 0.013158903%, respectively.

Actuarial Assumptions. The total pension liability for the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	
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 were based on 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**JERSEY CITY GLOBAL CHARTER SCHOOL
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

ii. Teachers Pension and Annuity Fund (TPAF)

Long-term Expected Rate of Return. In accordance with the State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension 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 weighing 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, 2020 measurement date, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	89.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	50.00%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
Total	<u>100.00%</u>	

Discount rate. The discount rate used to measure the total pension liability was 5.40% June 30, 2020 measurement date. This single blended discount rate was based on the long-term expected rate of return on pension plan

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

ii. Teachers Pension and Annuity Fund (TPAF)

investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020, 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 contribution from employers will be made based on 78% of actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining total pension liability.

Sensitivity of Net Pension Liability. The following presents the Charter School's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the 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:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's proportionate share of the net pension liability attributable to the Charter School	<u>\$ 11,641,794</u>	<u>\$ 9,889,408</u>	<u>\$ 8,474,122</u>

NOTE 9 POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

The State of New Jersey Provides post-retirement (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 9 POST-RETIREMENT BENEFITS - CONTINUED

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 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State’s “pay as-you-go” contributions have decreased from Fiscal Year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State, including new Medicare Advantage contracts. The State has appropriated \$1.775 billion in Fiscal Year 2021 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 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76.0 billion liability recorded in Fiscal Year 2019.

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The Charter School’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the Charter School did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Accordingly, the following OPEB liability note information is reported at the State’s level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State CAFR at <https://www.nj.gov/treasury/omb/cafr.shtml>

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 9 POST-RETIREMENT BENEFITS - CONTINUED

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.5%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary increases:			
Through 2026	1.55% - 4.45%	2.00% - 6.00%	3.25% - 15.25%
	based on years of service	based on years of service	based on years of service
Thereafter	1.55% - 4.45%	3.00% - 7.00%	Applied to all future years
	based on years of service	based on years of service	

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-2020. Postretirement mortality rate 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-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial studies for 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 is initially 5.6% and decreases to a 4.5% long-term rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 9 POST-RETIREMENT BENEFITS - CONTINUED

(b) Discount rate

The discount rate for June 30, 2020 was 2.21%. 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.

Changes in the Total OPEB liability of the State for Charter School retirees:

Balance at 6/30/19 Measurement date	\$	1,564,076
Changes for the year		
Service cost		388,926
Interest		67,408
Changes in assumptions		590,611
Difference between expected and actual experience		676,850
Benefit payments		(56,289)
Contributions from the member		1,706
Net Change		<u>1,669,212</u>
Balance at 6/30/20 Measurement date	\$	<u>3,233,288</u>

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

	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the Charter School retirees	\$ <u>3,897,896</u>	\$ <u>3,233,288</u>	\$ <u>2,713,629</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State for Charter School retirees, as well as what the State's total OPEB liability for the Charter School retirees would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 9 POST-RETIREMENT BENEFITS - CONTINUED

	<u>1% Decrease</u>	<u>Current Health Cost Trend Rate</u>	<u>1% Increase</u>
State's Proportionate Share of the Total OPEB liability Attributable to the Charter School retirees	<u>\$ 2,610,019</u>	<u>\$ 3,233,288</u>	<u>\$ 3,975,463</u>

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

For the year ended June 30, 2021, the Charter School recognize OPEB revenue and expense of \$655,308 as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Charter School's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired Charter School employees' OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 549,972	\$ 368,936
Differences between expected and actual experience	490,897	437,274
Changes in proportion	1,400,790	-
	<u>\$ 2,441,659</u>	<u>\$ 806,210</u>

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 9 POST-RETIREMENT BENEFITS - CONTINUED

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB of retired Charter School employees will be recognized in OPEB expense as follows:

	Year Ended June 30
2022	\$ 204,203
2023	204,203
2024	204,203
2025	204,203
2026	204,203
Thereafter	614,436

NOTE 10 DEFERRED COMPENSATION

The Charter School offered its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Service 403(b). The Plan is administered by AXA Equity, Inc. permits participants to defer apportion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, death or unforeseeable emergency.

NOTE 11 RISK MANAGEMENT

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

A. 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 (Schedule J-20).

B. New Jersey Unemployment Compensation

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

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 12 INTERFUND RECEIVABLES AND PAYABLES

Amount reported in the governmental funds as interfund receivable and payable from/to other governmental funds are eliminated in the governmental activities column. The remaining internal receivable and payable between the governmental funds and enterprise fund have been eliminated in the total Charter School-wide Statement of Net Asset.

At June 30, 2021, the interfund balances consisted of the following components:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Fund</u>
General fund	\$ 88,578	\$ (101,051)	\$ 12,473
GASB No 34 mandated eliminations within governmental activities	<u>(101,051)</u>	<u>101,051</u>	<u>-</u>
Net interfund balances reported as follows: Entity-wide (eliminated in total column)	<u>\$ (12,473)</u>	<u>\$ -</u>	<u>\$ 12,473</u>

NOTE 13 CONTINGENCIES

State and Federal Aid Receipts

State and Federal awards are generally subject to review by the responsible governmental agencies for compliance with the agencies regulations governing the aid. In the opinion of the Charter School's management and legal counsel, any potential adjustments to the Federal or State aid recorded by the Charter School through June 30, 2021, resulting from a review by a responsible government agency will not have a material effect on the Charter School financial statements at June 30, 2021.

NOTE 14 RENTAL LEASE

The Charter School is currently leasing its facilities at 255 Congress Street, Jersey City, New Jersey for a period until June 30, 2021. Rent expenses for the fiscal year ended June 30, 2021 amounted to \$512,330. The Charter School is currently working on updating the lease contract. Minimum lease payment for the remaining year 2021 is \$491,730.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 15 COVID-19 PUBLIC HEALTH EMERGENCY

On June 4, 2021, Governor Murphy signed legislation (A5820/S3866) and Executive Order No. 244 ending of the COVID-19 Public Health Emergency that has been in place since March 9, 2020. Under the legislation, the majority of executive orders issued pursuant to the Public Health Emergency expired 30 days from the approval date. The legislation allows for the termination of the Public Health Emergency while also allowing the Administration to retain the tools necessary to manage the ongoing threat posed by the pandemic. Specifically, the Administration is authorized to issue orders, directives, and waivers under the authority in the Emergency Health Powers Act that are related to vaccination efforts; testing; health resource and personnel allocation; data collection, retention, sharing, and access; coordination of local health departments; and implementation of any CDC recommendations to prevent the transmission of COVID-19. This authority lasts until January 11, 2022 and can be extended for 90 days with the passage of a concurrent resolution by the Legislature.

With the end of the Public Health Emergency, full-time school operations were restored in New Jersey beginning September 2021.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 1,732,723	\$ (110,608)	\$ 1,622,115	\$ 1,622,115	\$ -
Miscellaneous	-	-	-	43,206	43,206
Total - local sources	1,732,723	(110,608)	1,622,115	1,665,321	43,206
State sources:					
Categorical special education aid	154,788	(41,823)	112,965	112,965	-
Equalization aid	3,565,869	(429,527)	3,136,342	3,136,342	-
Categorical security aid	158,579	(36,770)	121,809	121,809	-
Adjustment aid	-	902,016	902,016	902,016	-
On-Behalf T.P.A.F. pension contributions - normal cost (non-budg)	-	-	-	440,083	440,083
On-Behalf T.P.A.F. pension contributions - post-retiremen	-	-	-	-	-
Medical (non-budgeted)	-	-	-	137,915	137,915
On-Behalf T.P.A.F. pension contributions - long-term disabilit	-	-	-	692	692
insurance (non-budgeted)	-	-	-	144,569	(27,169)
Reimbursed T.P.A.F. social security contributions (non-budgeted)	171,738	-	171,738	171,738	-
Total - state sources	4,050,974	393,896	4,444,870	4,996,391	551,521
Total revenues	5,783,697	283,288	6,066,985	6,661,712	594,727
Expenditures					
Current expense:					
Regular Programs - Instruction					
Kindergarten	465,804	92,340	558,144	557,425	719
Grade 1-5	708,609	113,935	822,544	822,544	-
Grade 6-8	269,923	(122,500)	147,423	145,493	1,930
Regular Programs - Undistributed instruction					
Other salaries for instructor	609,542	(6,455)	603,087	592,324	10,763
Purchased professional - educational services	76,000	480	76,480	76,480	-
Other purchased services (400-500 Series)	35,000	(15,000)	20,000	19,159	841
General supplies	48,200	(18,639)	29,561	23,838	5,723
Textbooks	60,000	124,828	184,828	184,828	-
Other objects	6,000	2,500	8,500	8,182	318
Total Regular Programs - Instructor	2,279,078	171,489	2,450,567	2,430,273	20,294
Special Education - Instruction					
Cognitive - mild:					
Salaries of teachers	190,780	(50,000)	140,780	135,974	4,806
Total Cognitive - Mild	190,780	(50,000)	140,780	135,974	4,806
Total Instruction	2,469,858	121,489	2,591,347	2,566,247	25,100
Undistributed Expenditures - Health Services					
Purchased professional and technical services	50,000	(1,186)	48,814	31,994	16,820
Supplies and materials	3,000	(893)	2,107	222	1,885
Total Undistributed Expenditures - Health services	53,000	(2,079)	50,921	32,216	18,705
Undistributed Expenditures - Speech, OT, PT and related services:					
Purchased professional - educational services	40,000	(33,835)	6,165	6,165	-
Undistributed Expenditures - Child Study Team					
Salaries of other professional staff	-	68,005	68,005	68,005	-
Purchased professional - educational services	19,000	-	19,000	4,000	15,000
Total Undistributed Expenditures - Child study team	19,000	68,005	87,005	72,005	15,000
Undistributed Expenditures - Support Services - General Administration:					
Salaries	380,064	(35,000)	345,064	333,276	11,788
Legal services	26,000	(1,500)	24,500	11,742	12,758
Audit fees	18,500	1,500	20,000	20,000	-
Other purchased professional services	225,800	(31,043)	194,757	190,695	4,062
Communications / telephone	84,600	-	84,600	59,875	24,725
Miscellaneous purchased services (400-500)	51,220	(8,500)	42,720	31,277	11,443
General supplies	14,500	(10,000)	4,500	2,218	2,282
Miscellaneous expenditures	10,000	24,543	34,543	34,543	-
Total Undistributed Expenditures - Support services - General Administration	810,684	(60,000)	750,684	683,626	67,058

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Support services - School Administration:					
Salaries of other professional staff	149,383	(29,512)	119,871	119,871	-
Total Undistributed Expenditures - Support services - School Administration	149,383	(29,512)	119,871	119,871	-
Undistributed Expenditures - Central services					
Interest on current loans	-	30,000	30,000	26,561	3,439
Undistributed Expenditures - Custodial Services					
Purchased professional and technical services	134,250	(12,484)	121,766	119,576	2,190
Insurance	35,000	1,200	36,200	33,561	2,639
Rental of land & bldg. oth. than lease pur agrm	555,066	(41,847)	513,219	512,330	889
General supplies	10,800	15,748	26,548	20,810	5,738
Energy (electricity)	48,000	410	48,410	48,410	-
Other objects	5,000	-	5,000	3,763	1,237
Total Undistributed expenditures - Custodial services	788,116	(36,973)	751,143	738,450	12,693
Undistributed Expenditures - Student Transportation Services					
Contracted services - (Other than between home and school) - vendors	10,000	(8,410)	1,590	-	1,590
Unallocated Benefits - Employee Benefits					
Social security contributions	184,997	15,134	200,131	55,562	144,569
Other retirement contributions - PERS	55,000	5,797	60,797	60,797	-
Unemployment compensator	79,803	(15,000)	64,803	43,072	21,731
Workmen's compensation	50,000	-	50,000	39,956	10,044
Health benefits	500,000	(99,616)	400,384	400,384	-
Total Unallocated benefits - Employee Benefits	869,800	(93,685)	776,115	599,771	176,344
On-behalf T.P.A.F. pension contributions - normal cost (non-budgeted)	-	-	-	440,083	(440,083)
On-behalf T.P.A.F. pension contributions - post retirement medical (non-budgeted)	-	-	-	137,915	(137,915)
On-behalf T.P.A.F. pension contributions - long-term disability insurance (non-budgeted)	-	-	-	692	(692)
Reimbursed T.P.A.F. social security contributions (non-budgeted)	-	-	-	144,569	(144,569)
Total On-behalf contributions	-	-	-	723,259	(723,259)
Total Personal Services - Employee Benefits	869,800	(93,685)	776,115	1,323,030	(546,915)
Total Undistributed Expenditures	2,739,983	(166,489)	2,573,494	3,001,924	(428,430)
Total General Current Expense	5,209,841	(45,000)	5,164,841	5,568,171	(403,330)
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
Instruction	-	45,000	45,000	43,300	1,700
Non-instruction services	30,000	17,085	47,085	31,255	15,830
Total Equipment	30,000	62,085	92,085	74,555	17,530
Facilities Acquisition and Construction Services					
Land/land improvement	1,162,560	(17,085)	1,145,475	938,624	206,851
Total Facilities Acquisition and Construction Services	1,162,560	(17,085)	1,145,475	938,624	206,851
Total Capital Outlay	1,192,560	45,000	1,237,560	1,013,179	224,381
Total Expenditures	6,402,401	-	6,402,401	6,581,350	(178,949)
Excess (deficiency) of revenues over expenditures	(618,704)	283,288	(335,416)	80,362	415,778
Fund balances at beginning of year, as reported	1,527,293	-	1,527,293	1,527,293	-
Prior period adjustment	-	-	-	-	-
Fund balances at beginning of year, as restated	1,527,293	-	1,527,293	1,527,293	-
Fund balances at end of year	\$ 908,589	\$ 283,288	\$ 1,191,877	\$ 1,607,655	\$ 415,778

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Assigned:					
Year-End Encumbrances				\$ 218,439	
Unassigned				<u>1,389,216</u>	
				1,607,655	
Reconciliation to Governmental Funds Statements (GAAP)					
Fiscal Year 2021 Last State Aid Payments not Recognized on GAAP Basis				<u>-</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,607,655</u>	

JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local	\$ -	\$ -	\$ -	\$ 3,620	\$ 3,620
Federal	633,976	-	633,976	576,416	(57,560)
Total revenues - all sources	<u>633,976</u>	<u>-</u>	<u>633,976</u>	<u>580,036</u>	<u>(53,940)</u>
Expenditures					
Current Expenditures:					
Instruction:					
Salaries of teachers	191,820	-	191,820	179,000	12,820
Purchased professional and technical services	500	-	500	500	-
Other purchased services	5,000	-	5,000	-	5,000
Supplies and materials	236,739	-	236,739	226,249	10,490
Total instruction	<u>434,059</u>	<u>-</u>	<u>434,059</u>	<u>405,749</u>	<u>28,310</u>
Support services					
Employee benefits	15,968	-	15,968	13,694	2,274
Purchased professional educational services	151,376	-	151,376	126,662	24,714
Supplies	32,573	-	32,573	30,311	2,262
Student activities	-	-	-	10,774	(10,774)
Total support services	<u>199,917</u>	<u>-</u>	<u>199,917</u>	<u>181,441</u>	<u>18,476</u>
Total expenditures	<u>633,976</u>	<u>-</u>	<u>633,976</u>	<u>587,190</u>	<u>46,786</u>
Excess revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,154)</u>	<u>\$ (7,154)</u>
Fund balance at beginning of year, as reported				\$ -	
Prior period adjustment				<u>7,154</u>	
Fund balance at beginning of year, as restated				<u>7,154</u>	
Fund balance at end of year				<u>-</u>	
Recapitulation:					
Restricted:					
Student activities				<u>-</u>	
Fund balance at end of year				<u>\$ -</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PART II

**JERSEY CITY GLOBAL CHARTER SCHOOL
JUNE 30, 2021**

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY GAAP RECONCILIATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule:	[C-1] \$ 6,661,712	[C-2] \$ 580,036
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
Last State aid payment recognized for budgetary purposes only	-	-
General Fund contribution to Early Childhood Program Aid	-	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2] <u>6,661,712</u>	[B-2] <u>580,036</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] 6,581,350	[C-2] 580,036
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfer (outflows) to general fund	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] <u>\$ 6,581,350</u>	[B-2] <u>\$ 580,036</u>

Note A -The general fund budget basis of the use/outflow of resources is GAAP, therefore no reconciliation is required

REQUIRED SUPPLEMENTARY INFORMATION

PART III

**SCHEDULES RELATED TO ACCOUNTING AND
REPORTING FOR PENSIONS (GASB 68)**

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHARTER SCHOOL'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - PERS**

LAST TEN FISCAL YEARS (1)

	Fiscal Year Ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
Charter School's proportion of the net pension liability (asset)	0.0055574774%	0.0033139529%	0.0043003913%	0.0028393991%	0.0022438452%	0.00%	0.00%
Charter School's proportionate share of the net pension liability (asset)	\$ 906,279	\$ 597,124	\$ 846,726	\$ 660,967	\$ 664,563	\$ -	\$ -
Charter School's covered-employee payroll	\$ 864,488	\$ 738,298	\$ 564,726	\$ 219,334	\$ -	\$ -	\$ -
Charter School's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	104.83%	80.88%	149.94%	301.35%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.27%	53.60%	48.10%	39.91%	47.92%	52.08%

The Charter School has no proportionate share in the net pension liability (asset) prior to 2017.

(1) The Charter School implemented GASB 68, *Accounting and Financial Reporting for Pension* in fiscal year 2015. No data is available prior to fiscal year 2015.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHARTER SCHOOL'S CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)**

LAST TEN FISCAL YEARS (1)

	Fiscal Year Ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 60,796	\$ 32,235	\$ 42,775	\$ 26,304	\$ 19,934	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>(60,796)</u>	<u>(32,235)</u>	<u>(42,775)</u>	<u>(26,304)</u>	<u>(19,934)</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Charter School's covered-employee payroll	\$ 864,488	\$ 738,298	\$ 564,726	\$ 219,334	\$ 542,257	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	7.03%	4.37%	7.57%	11.99%	3.68%	0.00%	0.00%

The Charter School has no proportionate share in the net pension liability (asset) prior to 2017.

(1) The Charter School implemented GASB 68, *Accounting and Financial Reporting for Pension* in fiscal year 2015. No data is available prior to fiscal year 2015.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHARTER SCHOOL'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - TPAF**

LAST TEN FISCAL YEARS (1)

	Fiscal Year Ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
State's proportionate share of the net pension liability (asset) attributable to Charter School	0.0150183578%	0.0131589030%	0.0101573424%	0.0021952129%	0.00%	0.00%	0.00%
State's proportionate share of the net pension liability (asset) attributable to Charter School	\$ 9,889,408	\$ 8,075,743	\$ 6,461,883	\$ 1,480,092	\$ -	\$ -	\$ -
Charter School's covered-employee payroll	\$ 1,932,923	\$ 1,833,163	\$ 1,754,988	\$ 1,552,569	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) attributable to Charter School as a percentage of its covered-employee payroll	511.63%	440.54%	368.20%	95.33%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

The Charter School has no proportionate share in the net pension liability (asset).

(1) The Charter School implemented GASB 68, *Accounting and Financial Reporting for Pension* in fiscal year 2015. No data is available prior to fiscal year 2015.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PART III

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III
YEAR ENDED JUNE 30, 2021****Public Employees Retirement System (PERS)**

Change in benefit terms. There was no change in the benefit terms.

Change in assumptions. The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. The discount rate used to measure the total pension liability changed from 6.28% to 7.00%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

The projection of cash flows used to determine the discount rate of 7% as of June 30, 2020 measurement date assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and nonemployer contributing entity will be based on 78% (70% in prior measurement date) of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions from local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of all current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Teachers Pension and Annuity Fund (TPAF)

Change in benefit terms. There is no change in the benefit terms.

Change in assumptions. The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. The discount rate used to measure the total pension liability changed from 5.60% to 5.40% in the current measurement date. This change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 68.

The single blended discount rate of 5.40% in the current measurement date was based on the long-term expected rate of return on pension plan investments of 7.00% (7.00% in prior measurement date) and a municipal bond rate of 2.21% (3.5% in prior measurement date) 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.

Other Post-Employment Benefits (OPEB)

Change in benefit terms. There is no change in the benefit terms.

Change in assumptions. The calculation of the discount rate used to measure the total nonemployer OPEB liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. The discount rate used to measure the total pension liability changed from 3.50% to 2.21% in the current measurement date. This change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 75. 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.

**SCHEDULES RELATED TO ACCOUNTING AND
REPORTING FOR OPEB (GASB 75)**

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CHARTER SCHOOL'S TOTAL
OPEB LIABILITY AND RELATED RATIOS**

LAST TEN FISCAL YEARS (1)

	Fiscal Year Ended June 30,			
	2021	2020	2019	2018
Charter School Covered-employee payroll ⁽²⁾	\$ 2,797,412	\$ 2,571,461	\$ 2,319,714	\$ 1,771,903
Total State OPEB Liability Attributable to Charter School				
Service cost	\$ 388,926	\$ 309,281	\$ 285,452	\$ 345,222
Interest	67,408	61,517	49,902	38,028
Difference between expected and actual experience	676,850	(86,836)	26,112	-
Changes in assumptions and other inputs	590,611	23,321	(149,570)	(234,573)
Benefit payments	(56,289)	(48,012)	(34,852)	(26,060)
Contributions from the member	<u>1,706</u>	<u>1,423</u>	<u>1,205</u>	<u>960</u>
Net Change in Total State OPEB Liability Attributable to Charter School	1,669,212	260,694	178,249	123,577
Total State OPEB Liability Attributable to Charter School:				
At beginning of year	\$ 1,564,076	\$ 1,303,382	\$ 1,125,133	\$ 1,001,556
At end of year	<u>\$ 3,233,288</u>	<u>\$ 1,564,076</u>	<u>\$ 1,303,382</u>	<u>\$ 1,125,133</u>
Total State OPEB liability as a percentage of Charter School covered-employee payroll	115.58%	60.82%	56.19%	63.50%

Note - The amounts presented for the fiscal year was determined as of June 30 measurement date of the prior fiscal year.

(1) The Charter School implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in fiscal year 2018. No data is available prior to fiscal year 2018.

(2) Covered payroll was based on the Charter School's payroll for the years ended June 30.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS

YEAR ENDED JUNE 30, 2021

	Every Student Succeeds Act (E.S.S.A.)				I.D.E.A.		COVID-19 Grants			Student Activities	Total
	Title I, Part A	Title I, Reallocated	Title II, Part A	Title III, Immigrant	I.D.E.A. Part B, Basic	I.D.E.A. Preschool	Education Stabilization Fund (CARES Act)	COVID Relief Fund	ESSER II - Learning Acceleration Grant		
Revenues											
Federal	\$ 238,668	\$ 11,338	\$ -	\$ 7,321	\$ 100,662	\$ 1,158	\$ 163,936	\$ 38,037	\$ 15,296	\$ -	\$ 576,416
Local	-	-	-	-	-	-	-	-	-	3,620	3,620
Total revenues - all sources	<u>238,668</u>	<u>11,338</u>	<u>-</u>	<u>7,321</u>	<u>100,662</u>	<u>1,158</u>	<u>163,936</u>	<u>38,037</u>	<u>15,296</u>	<u>3,620</u>	<u>580,036</u>
										3,629	
Expenditures											
Instruction:											
Salaries of teachers	\$ 179,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179,000
Purchased professional and technical services	-	-	-	-	-	-	-	500	-	-	500
Instructional Supplies	45,974	11,338	-	-	-	1,158	116,896	35,587	15,296	-	226,249
Total instruction	<u>224,974</u>	<u>11,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,158</u>	<u>116,896</u>	<u>36,087</u>	<u>15,296</u>	<u>-</u>	<u>405,749</u>
Support services											
Employee benefits	13,694	-	-	-	-	-	-	-	-	-	13,694
Purchased professional - educational services	-	-	-	4,000	100,662	-	22,000	-	-	-	126,662
Supplies and materials	-	-	-	3,321	-	-	25,040	1,950	-	-	30,311
Student activities	-	-	-	-	-	-	-	-	-	10,774	10,774
Total support services	<u>13,694</u>	<u>-</u>	<u>-</u>	<u>7,321</u>	<u>100,662</u>	<u>-</u>	<u>47,040</u>	<u>1,950</u>	<u>-</u>	<u>10,774</u>	<u>181,441</u>
Facilities Acquisition and Construction Services:											
Construction Services											
Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>238,668</u>	<u>11,338</u>	<u>-</u>	<u>7,321</u>	<u>100,662</u>	<u>1,158</u>	<u>163,936</u>	<u>38,037</u>	<u>15,296</u>	<u>10,774</u>	<u>587,190</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,154)	\$ (7,154)
Fund Balance at beginning of year, as reported										-	-
Prior period adjustment										7,154	7,154
Fund Balance at beginning of year, as restated										<u>7,154</u>	<u>7,154</u>
Fund Balance at end of year										<u>\$ -</u>	<u>\$ -</u>

CAPITAL PROJECTS FUND

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by propriety funds.

JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)

CAPITAL PROJECT FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2021

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended at June 30, 2021
			Prior Years	Current Year	
Leasehold improvements	1/13/2020	\$ 1,552,597	\$ 407,122	\$ 938,409	\$ 207,066

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

**SUMMARY SCHEDULE OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGETARY
YEAR ENDED JUNE 30, 2021**

Revenues and Other Financing Sources

Proceeds from loan	\$ -
--------------------	------

Expenditures and Other Financing Uses:

Purchased professional and technical services	29,109
Construction services	<u>909,300</u>
Total expenditures	938,409

Excess of expenditures over revenues	<u>\$ (938,409)</u>
--------------------------------------	---------------------

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Charter School is that the costs of providing goods and services be financed through user charges. The Charter School has the Food Service and After Care in its Enterprise Fund to account for the operation of food services and after care.

**JERSEY CITY GLOBAL CHARTER SCHOOL
JUNE 30, 2021**

ENTERPRISE FUND

COMBINING SCHEDULE OF NET POSITION

	<u>FOOD SERVICE</u>	<u>AFTER CARE</u>	<u>TOTAL</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 10,753	\$ 247	\$ 11,000
Accounts receivable:			
Federal	2,981	-	2,981
State	139	-	139
Interfund receivable - General fund	<u>12,473</u>	<u>-</u>	<u>12,473</u>
	<u>15,593</u>	<u>-</u>	<u>15,593</u>
Total current assets	<u>26,346</u>	<u>247</u>	<u>26,593</u>
Capital assets			
Machinery and equipment, net	4,152	-	4,152
Less: Accumulated depreciation	<u>(1,522)</u>	<u>-</u>	<u>(1,522)</u>
Net capital assets	<u>2,630</u>	<u>-</u>	<u>2,630</u>
Total Assets	<u>\$ 28,976</u>	<u>\$ 247</u>	<u>\$ 29,223</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 7,520	\$ -	\$ 7,520
Deferred revenue	-	247	247
Interfund payable (internal)	<u>1,260</u>	<u>(1,260)</u>	<u>-</u>
Total current liabilities	<u>8,780</u>	<u>(1,013)</u>	<u>7,767</u>
Net assets			
Unrestricted	<u>20,196</u>	<u>1,260</u>	<u>21,456</u>
Total Liabilities and Net Position	<u>\$ 28,976</u>	<u>\$ 247</u>	<u>\$ 29,223</u>

**JERSEY CITY GLOBAL CHARTER SCHOOL
JUNE 30, 2021**

ENTERPRISE FUND

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION**

YEAR ENDED JUNE 30, 2021

	<u>FOOD SERVICE</u>	<u>AFTER CARE</u>	<u>TOTAL</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 770	\$ -	\$ 770
After School fees	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating revenues	<u>770</u>	<u>-</u>	<u>770</u>
Operating expenses:			
Salaries	7,000	-	7,000
Supplies and materials - reimbursable programs	14,883	-	14,883
Depreciation	830	-	830
Miscellaneous	<u>848</u>	<u>-</u>	<u>848</u>
Total operating expenses	<u>23,561</u>	<u>-</u>	<u>23,561</u>
Operating loss	<u>(22,791)</u>	<u>-</u>	<u>(22,791)</u>
Nonoperating revenues:			
State sources:			
State School Lunch	608	-	608
Federal sources:			
National School Lunch	9,812	-	9,812
National School Breakfast	<u>5,173</u>	<u>-</u>	<u>5,173</u>
Total nonoperating revenues	<u>15,593</u>	<u>-</u>	<u>15,593</u>
Changes in net position	(7,198)	-	(7,198)
Total net position at beginning of year	<u>27,394</u>	<u>1,260</u>	<u>28,654</u>
Total net position at end of year	<u>\$ 20,196</u>	<u>\$ 1,260</u>	<u>\$ 21,456</u>

**JERSEY CITY GLOBAL CHARTER SCHOOL
JUNE 30, 2021**

ENTERPRISE FUND

COMBINING SCHEDULE OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

	FOOD SERVICE	AFTER CARE	TOTAL
Cash flows from operating activities			
Operating loss	\$ (22,791)	\$ -	\$ (22,791)
Adjustment to reconcile operating income to net cash from operating activities			
Depreciation expense	830	-	830
Changes in assets and liabilities:			
Accounts receivable	(2,724)	-	(2,724)
Interfund receivable	(12,473)	-	(12,473)
Accounts payable	3,368	-	3,368
Interfund payable - General fund	-	-	-
Deferred revenue	-	247	247
Net cash from operating activities	<u>(33,790)</u>	<u>247</u>	<u>(33,543)</u>
Cash flows from noncapital financing activities			
Cash received from state and federal reimbursements	<u>15,593</u>	<u>-</u>	<u>15,593</u>
Cash flows from investing activities			
Purchase of machinery and equipment	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(18,197)	247	(17,950)
Cash and cash equivalents at beginning of the year	<u>28,950</u>	<u>-</u>	<u>28,950</u>
Cash and cash equivalents at end of year	<u>\$ 10,753</u>	<u>\$ 247</u>	<u>\$ 11,000</u>

FIDUCIARY FUNDS

Trust funds are used to account for gifts and bequests to the Charter School for specific purposes.

Unemployment Compensation Insurance Trust Fund is an expendable trust fund used to account for unemployment transactions of the Charter School.

At June 30, 2021 there was no non-expandable trust fund utilized by the Charter School.

Agency funds are used to account for assets held by the Charter School as an agent for individuals, private organizations, governmental and/or other funds.

At June 30, 2021 there was no the Charter School did not have agency funds recognized in accordance with GASB 84.

LONG-TERM DEBT

The long-term debt is used to record the outstanding principal balances of the long-term liabilities of the charter school. This includes the outstanding principal balance on capital lease, the accrued liability for insurance claims and the liability for compensated absences and the outstanding principal balance on certificates of participation outstanding or mortgage note payable.

JERSEY CITY GLOBAL CHARTER SCHOOL
JUNE 30, 2021

LONG-TERM DEBT

CONSTRUCTION LOAN

YEAR ENDED JUNE 30, 2021

	<u>Amount of Original Issue</u>	<u>Balance June 30, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
Construction loan	\$ 409,891	\$ 409,891	\$ -	\$ (215)	\$ 409,676
Total Liabilities	<u>\$ 409,891</u>	<u>\$ 409,891</u>	<u>\$ -</u>	<u>\$ (215)</u>	<u>\$ 409,676</u>

STATISTICAL SECTION (UNAUDITED)

Unless otherwise noted, the information in these Schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

INTRODUCTION TO THE STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	82
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	N/A
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	N/A
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	86
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	88
Notes 1 Unless otherwise noted, the information in these schedules are derived from the comprehensive annual financial reports (CAFR) for the relevant year. 2 GASB requires presentation of certain statistical information for the last ten fiscal years. However, fiscal year ended June 30, 2014 is the first operating year of the Charter School. Therefore, schedules presenting charterwide information include information beginning in that year.	

JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)

NET POSITION BY COMPONENT
Last Ten Fiscal Years (2)

(Accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities								
Invested in capital assets, net of related debt	\$ 932,754	\$ 1,547	\$ 33,564	\$ 45,044	\$ 64,435	\$ 15,822	\$ 23,734	\$ 31,646
Restricted	-	7,154	-	-	-	-	-	-
Unrestricted	899,743	997,480	194,657	152,262	206,304	192,554	137,138	52,810
Total governmental activities net position	\$ 1,832,497	\$ 1,006,181	\$ 228,221	\$ 197,306	\$ 270,739	\$ 208,376	\$ 160,872	\$ 84,456
Business-type activities								
Invested in capital assets, net of related debt	\$ 2,630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-
Unrestricted	18,826	25,194	38,724	-	-	-	-	-
Total business-type activities net position	\$ 21,456	\$ 25,194	\$ 38,724	\$ -	\$ -	\$ -	\$ -	\$ -
Charter School-wide								
Invested in capital assets, net of related debt	\$ 932,754	\$ 1,547	\$ 33,564	\$ 45,044	\$ 64,435	\$ 15,822	\$ 23,734	\$ 31,646
Restricted	-	7,154	-	-	-	-	-	-
Unrestricted	921,199	1,022,674	233,381	152,262	206,304	192,554	137,138	52,810
Total Charter School-wide net position	\$ 1,853,953	\$ 1,031,375	\$ 266,945	\$ 197,306	\$ 270,739	\$ 208,376	\$ 160,872	\$ 84,456

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

CHANGES IN NET POSITION

Last Ten Fiscal Years (2)

(Accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Expenses								
Governmental activities								
Instruction	\$ 4,865,473	\$ 3,470,391	\$ 2,880,168	\$ 2,818,644	\$ 2,204,553	\$ 1,725,230	\$ 1,101,165	\$ 994,840
Administrative	1,210,767	1,072,617	887,104	1,053,822	851,197	722,730	667,925	511,025
Support Services	1,087,410	1,171,174	1,067,447	906,760	869,022	692,284	676,985	457,977
Unallocated								
Capital Outlay	70,367	17,768	2,714	2,380	22,439	-	58,600	57,286
Depreciation	11,605	11,480	11,480	19,392	8,788	7,912	-	-
Total governmental activities expenses	<u>7,245,622</u>	<u>5,743,430</u>	<u>4,848,913</u>	<u>4,800,998</u>	<u>3,955,999</u>	<u>3,148,156</u>	<u>2,504,675</u>	<u>2,021,128</u>
Business-type activities:								
Food service	23,561	92,167	44,882	-	-	23,070	-	-
After care	-	74,092	-	-	74,092	23,070	-	-
Total business-type activities expense	<u>23,561</u>	<u>166,259</u>	<u>44,882</u>	<u>-</u>	<u>74,092</u>	<u>23,070</u>	<u>-</u>	<u>-</u>
Total district expenses	<u>7,269,183</u>	<u>5,909,689</u>	<u>4,893,795</u>	<u>4,800,998</u>	<u>4,030,091</u>	<u>3,171,226</u>	<u>2,504,675</u>	<u>2,021,128</u>
Program Revenues								
Governmental activities:								
Charges for services:								
Student activities	3,620	-	-	-	-	-	-	-
Operating grants and contributions	2,129,865	1,449,652	722,645	1,020,291	608,879	398,374	50,598	22,732
Total governmental activities program revenues	<u>2,133,485</u>	<u>1,449,652</u>	<u>722,645</u>	<u>1,020,291</u>	<u>608,879</u>	<u>398,374</u>	<u>50,598</u>	<u>22,732</u>
Business-type activities:								
Charges for services								
Food service	770	28,239	33,514	-	-	23,070	-	-
After care	-	70,142	-	-	-	-	-	-
Operating grants and contributions	15,593	57,557	-	-	-	-	-	-
Total business-type activities program revenues	<u>16,363</u>	<u>155,938</u>	<u>33,514</u>	<u>-</u>	<u>-</u>	<u>23,070</u>	<u>-</u>	<u>-</u>
Total district program revenues	<u>2,149,848</u>	<u>1,605,590</u>	<u>756,159</u>	<u>1,020,291</u>	<u>608,879</u>	<u>421,444</u>	<u>50,598</u>	<u>22,732</u>
Net (Expense)/Revenue								
Governmental activities	(5,112,137)	(4,293,778)	(4,126,268)	(3,780,707)	(3,347,120)	(2,749,782)	(2,454,077)	(1,998,396)
Business-type activities	(7,198)	(10,321)	(11,368)	-	(74,092)	-	-	-
Total district-wide net expense	<u>(5,119,335)</u>	<u>(4,304,099)</u>	<u>(4,137,636)</u>	<u>(3,780,707)</u>	<u>(3,421,212)</u>	<u>(2,749,782)</u>	<u>(2,454,077)</u>	<u>(1,998,396)</u>
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes levied for general purposes, net	1,622,115	1,713,838	1,207,157	1,085,711	1,048,691	935,173	2,187,749	1,514,012
Grants and contributions	4,273,132	3,305,701	2,900,932	2,535,162	2,327,960	1,830,571	311,540	438,979
Miscellaneous income	43,206	37,268	49,094	86,401	57,733	6,641	31,204	129,861
Total governmental activities	<u>5,938,453</u>	<u>5,056,807</u>	<u>4,157,183</u>	<u>3,707,274</u>	<u>3,434,384</u>	<u>2,772,385</u>	<u>2,530,493</u>	<u>2,082,852</u>
Total Charter School-wide	<u>5,938,453</u>	<u>5,056,807</u>	<u>4,157,183</u>	<u>3,707,274</u>	<u>3,434,384</u>	<u>2,772,385</u>	<u>2,530,493</u>	<u>2,082,852</u>
Changes in Net Position								
Governmental activities	826,316	763,029	30,915	(73,433)	87,264	22,603	76,416	84,456
Business-type activities	(7,198)	(10,321)	(11,368)	-	(74,092)	-	-	-
Total district	<u>\$ 819,118</u>	<u>\$ 752,708</u>	<u>\$ 19,547</u>	<u>\$ (73,433)</u>	<u>\$ 13,172</u>	<u>\$ 22,603</u>	<u>\$ 76,416</u>	<u>\$ 84,456</u>

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years (2)

(Modified accrual basis of accounting)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>Fiscal Year Ended June 30,</u>		<u>2016</u>	<u>2015</u>	<u>2014</u>
				<u>2018</u>	<u>2017</u>			
General Fund								
Assigned	\$ 218,439	\$ 1,145,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	<u>1,389,216</u>	<u>381,707</u>	<u>609,669</u>	<u>400,873</u>	<u>329,835</u>	<u>167,653</u>	<u>137,138</u>	<u>52,810</u>
Total general fund	<u><u>1,607,655</u></u>	<u><u>1,527,293</u></u>	<u><u>609,669</u></u>	<u><u>400,873</u></u>	<u><u>329,835</u></u>	<u><u>167,653</u></u>	<u><u>137,138</u></u>	<u><u>52,810</u></u>
All Other Governmental Funds								
Restricted for student activities	<u>-</u>	<u>7,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u><u>\$ -</u></u>	<u><u>\$ 7,154</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years (2)**

Function	Fiscal Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Revenues								
Local Sources:								3305701
Local tax levy	\$ 1,622,115	\$ 1,713,838	\$ 1,207,157	\$ 1,085,711	\$ 1,048,691	\$ 935,173	\$ 621,819	\$ 408,125
Miscellaneous	46,826	37,268	49,094	86,401	57,733	6,986	31,204	129,861
State sources	4,996,391	3,455,374	3,422,665	2,915,211	2,480,060	1,915,775	1,738,051	1,222,762
Federal sources	576,416	290,925	311,589	306,063	456,779	312,825	190,017	344,836
Total Revenues	<u>7,241,748</u>	<u>5,497,405</u>	<u>4,990,505</u>	<u>4,393,386</u>	<u>4,043,263</u>	<u>3,170,759</u>	<u>2,581,091</u>	<u>2,105,584</u>
Current expense								
Instruction	2,971,996	2,132,338	2,045,782	1,805,741	1,756,144	1,447,495	996,303	924,986
Administrative cost	1,429,829	1,276,639	1,214,640	1,254,740	1,094,478	943,370	775,296	572,967
Support services	1,030,277	1,031,677	996,839	879,437	798,519	664,175	666,564	457,977
Capital outlay	1,013,179	407,122	2,714	2,380	79,840	-	58,600	96,844
TPAF - FICA Reimbursement	144,569	148,802	136,744	126,883	106,767	85,204	-	-
TPAF - On-behalf payments	578,690	871	384,989	253,166	45,333	-	-	-
Total Expenditures	<u>7,168,540</u>	<u>4,997,449</u>	<u>4,781,708</u>	<u>4,322,347</u>	<u>3,881,081</u>	<u>3,140,244</u>	<u>2,496,763</u>	<u>2,052,774</u>
Excess (Deficiency) of Revenues								
Over Expenditures	73,208	499,956	208,797	71,039	162,182	30,515	84,328	52,810
Other financing sources(uses):								
Operating transfers in/(out)	-	409,891	-	-	-	-	-	-
Total other financing sources/(uses)	<u>-</u>	<u>409,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 73,208</u>	<u>\$ 909,847</u>	<u>\$ 208,797</u>	<u>\$ 71,039</u>	<u>\$ 162,182</u>	<u>\$ 30,515</u>	<u>\$ 84,328</u>	<u>\$ 52,810</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Charter school's records.

Note: Noncapital expenditures are total expenditures less capital outlay.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

**DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years (2)**

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2021	**	**	**	**
2020	262,664	**	**	10.40%
2019	262,075	\$ 18,234,968,974	\$ 69,406	3.50%
2018	265,549	17,297,596,311	65,139	4.10%
2017	263,401	15,704,757,823	59,623	4.70%
2016	260,626	14,788,813,872	57,081	4.80%
2015	260,332	14,410,417,528	55,354	5.30%
2014	258,794	13,399,318,144	51,776	6.60%

** Data not available

Source:

^a Population information provided by U.S. Census Bureau, Population Division.

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

^c Per capita personal income was computed using Census Bureau midyear population estimates. All dollar estimates are in thousands of current dollars (not adjusted for inflation). Estimates for 2010-2018 reflect county population estimates available as of March 6, 2019.

^d Unemployment data provided by the New Jersey Department of Labor and Workforce Development

JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)

PRINCIPAL EMPLOYERS
Current Year and Five Years Ago

	<u>2021</u>		<u>2015</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

Information not available

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

**FULL-TIME EQUIVALENT CHARTER SCHOOL EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years (2)**

<u>Function/Program</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Instruction	47	39	34	30	30	29	18	11
Administrative	3	3	3	3	3	3	3	2
Support Services	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>2</u>	<u>1</u>
Total	<u><u>55</u></u>	<u><u>47</u></u>	<u><u>42</u></u>	<u><u>38</u></u>	<u><u>38</u></u>	<u><u>37</u></u>	<u><u>23</u></u>	<u><u>14</u></u>

Source: Charter School's personnel records

JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)

OPERATING STATISTICS

Last Ten Fiscal Years (2)

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Pre-K to 4	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2021	500	\$ 6,155,361	\$ 12,311	5.58%	47.00	10.6:1	498.7	454.96	6.56%	91.23%
2020	468	5,457,158	11,661	3.64%	39.00	12.0:1	468.0	426.96	10.12%	91.23%
2019	425	4,781,708	11,251	-1.87%	34.00	13.0:1	425.0	374.13	12.73%	88.03%
2018	377	4,322,347	11,465	6.64%	30.00	13.0:1	377.0	366.18	5.31%	97.13%
2017	361	3,881,081	10,751	5.44%	30.00	12.0:1	358.0	355.03	15.78%	99.17%
2016	308	3,140,244	10,196	-0.89%	29.00	10.6:1	309.2	300.88	32.14%	97.31%
2015	237	2,438,163	10,288	-14.79%	18.00	13.2:1	234.0	227.70	48.10%	97.31%
2014	162	1,955,930	12,074	N/A	11.00	14.7:1	158.0	151.50	N/A	95.89%

Source: Charter School's Records

Note: Enrollment based on annual October Charter School count.

^a Operating expenditures equal total expenditures less debt service and capital outlay.

^b Teaching staff includes only full-time equivalents of certificated staff.

^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

**SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years (2)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Charter School Building</u>								
Square feet	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Capacity (students)	450	450	450	450	450	450	450	450
Enrollment	500	468	425	377	361	308	237	162

Source: Charter School's Records

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

INSURANCE SCHEDULE

June 30, 2021

	<u>Coverage</u>	<u>Deductible</u>
Commercial property and general liability:		
Property ^(a):		
Business Personal Property - Special	\$ 2,500,000	\$ 1,000
EDP/Computers - Replacement Cost	600,000	1,000
Portable Computers- Replacement Cost	300,000	1,000
Business Income and Extra Expense	300,000	1,000
Crime Coverage ^(a):		
Blanket Employee Theft (Includes Board Treasurer/Board Secretary/BA)	200,000	1,000
Forgery or Alteration	10,000	1,000
Money Order and Counterfeit Money	1,000	500
Outside the Premise	150,000	1,000
General Liability ^(a):		
Single Limit for Bodily Injury and Property Damage	1,000,000	
Aggregate	2,000,000	
Each Occurrence for Personal Injury/Advertising Injury	1,000,000	
Damage of Premises Rented	1,000,000	
Premise Medical Payments per accident	10,000	
Employee Benefits Liability - Each Employee	1,000,000	1,000
Employee Benefits Liability - Aggregate	2,000,000	1,000
Sexual Misconduct Coverage	1,000,000	
Sexual Misconduct Aggregate	2,000,000	
Crisis Management and Public Relations - each Crisis Event	300,000	
Public Relations Expense Resultng from Crisis Event - each Crisis Event	50,000	
Public Relations Expense Resultng from Adverse Event - each Adverse Event	25,000	
Innocent Part Defense Coverage	300,000	
Educators Legal Liability ^(a):		
Educators Legal Liability – Each Wrongful Act	1,000,000	5,000
Educators Legal Liability –Aggregate	2,000,000	5,000
Non – Monetary Defense	100,000	5,000
Non – Monetary Defense Aggregate	100,000	5,000
FLSA Defense Sublimit of Liability	25,000	5,000
Automobile Liability ^(a):		
Hired and Non Owned-Occurrence	1,000,000	
Student Accident ^(a):		
Aggregate	250,000	
Accidental Medical Expense - Aggregate Maximum	25,000	
Accidental Death and Dismemberment	10,000	
Umbrella ^(a):		
Each Occurrence	1,000,000	10,000
Aggregate	1,000,000	10,000
Workers' Compensation ^(a):		
Each Accident	1,000,000	
Each Employee	1,000,000	
Policy Limit	1,000,000	
Statutory		
Based on School - Professional \$2,250,971		
School - Non-Professional \$135,000		
MOD - 0.845		

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

INSURANCE SCHEDULE

June 30, 2021

	<u>Coverage</u>	<u>Deductible</u>
Cyber Liability ^(b):		
Incident Response Costs	1,000,000	
Funds Transfer Fraud	250,000	
System Damage and Rectification Costs	1,000,000	
Network Security Liability	1,000,000	
Defamation	1,000,000	
Court Attendance Costs	100,000	
Educators Management & Employment		
Practice Liability ^(c):		
Educators Management	1,000,000	5,000
Employment Practices Liability	1,000,000	15,000
Defense Reimbursement Payments	50,000	5,000
FLSA Defense Sublimit of Liability	100,000	15,000
Aets of School Violence Crisis Management	250,000	

^(a) Markel Insurance Co.

^(b) CFC Underwriting Ltd

^(c) Greenwich Insurance Co.

Source: Charter School's Records

JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)

CHARTER SCHOOL PERFORMANCE FRAMEWORK
FINANCIAL PERFORMANCE
FISCAL RATIOS

Multi-Year Information

	2019 Audit	2020 Audit	2021 Audit	Source
Cash	\$ 141,790	\$ 1,431,560	\$ 1,475,072	Audit: Exhibit A-1
Current Assets (include cash)	534,682	1,755,976	1,946,370	Audit: Exhibit A-1
Current Liabilities	133,809	203,489	319,889	Audit: Exhibit A-1
Total Expenses	4,800,998	5,909,689	7,269,183	Audit: Exhibit A-2
Change in Net Position	(73,433)	752,708	819,118	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	377	425	430	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	380	425	500	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	19,392	11,480	11,605	Auditor/Workpapers
Interest Expense	-	19,392	26,561	Auditor/Workpapers
Principal Payments	-	-	-	Auditor/Workpapers
Interest Payments	-	-	-	Auditor/Workpapers

Performance Indicators	2019	2020	2021	3 YR CUM	Calculation****	Target****	
Near Term Indicators							
1a.	Current Ratio (working capital ratio)	4.00	8.63	6.08		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b.	Unrestricted days cash on hand	11	88	74		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c.	Enrollment Variance	99%	100%	86%	95%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.**	Default on loans or delinquent in debt paymen	NO	NO	NO		Auditor	not in default
Sustainability Indicators							
2a***	3 Year Cumulative Cash Flow	54,805	1,289,770	43,512	1,388,087	Net change in cash flow from prior years	3 yr cum positive with most recent year postive
2b	Debt Service Coverage Ratio	N/A	1.83	2.09		N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

SINGLE AUDIT SECTION



EXHIBIT K-1

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

The Honorable President and
Members of the Board of Trustees
Jersey City Global Charter School
Hudson County, New Jersey

We have audited, in accordance with the 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Jersey City Global Charter School (the Charter School), in the County of Hudson, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued our report thereon dated December 14, 2021.

Internal Control Over Financial Reporting

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

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

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

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


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

However, we noted certain matters that we have reported to the Board of Trustees of the Jersey City Global Charter School in the County of Hudson, New Jersey in a separate *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, dated December 14, 2021.

Purpose of this Report

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



Leonora Galleros, CPA
Public School Accountant
PSA No. 20CS00239400



Galleros Robinson CPAs, LLP
Certified Public Accountants

December 14, 2021
Cream Ridge, New Jersey



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

The Honorable President and
Members of the Board of Trustees
Jersey City Global Charter School
Hudson County, New Jersey

Report on Compliance for Each Major State Program

We have audited the Jersey City Global Charter School's (the Charter School) in the County of Hudson, State of New Jersey compliance with the types of compliance requirements described in the *New Jersey State Aid Grant Compliance Supplement* that could have a direct and material effect on each of the Charter School's major state program for the fiscal year ended June 30, 2021. The Charter School's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major State Program

In our opinion, the Jersey City Global Charter School, in the County of Hudson, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state program for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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



Leonora Galleros, CPA
Public School Accountant
PSA No. 20CS00239400



Galleros Robinson CPAs, LLP
Certified Public Accountants

December 14, 2021
Cream Ridge, New Jersey

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

Federal Grant/ Pass-Through Grantor/ Program Title	Federal CFDA No.	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances	Balance at June 30, 2021		
					From	To						(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education:														
Passed-through New Jersey State Department of Education														
Special Revenue Fund:														
Title I Part A Grants to Local Educational Agencies	84.010	S010A200030	ESSA - 6093 - 21	\$ 250,006	7/1/2020	9/30/2021	\$ -	\$ -	\$ 153,333	\$ (250,006)	\$ -	\$ (96,673)	\$ -	\$ -
Title I Part A Grants to Local Educational Agencies	84.010	S010A190030	ESSA - 6093 - 20	222,545	7/1/2019	6/30/2020	(19,861)	-	19,861	-	-	-	-	-
Title I Part A Grants to Local Educational Agencies	84.010	S010A180030	ESSA - 6093 - 19	239,950	7/1/2018	6/30/2019	13,568	-	-	-	-	-	-	13,568
Improving Teacher Quality State Grants (Title II Part A) SEA	84.367	S367A190029	ESSA - 6093 - 20	3,410	7/1/2019	6/30/2020	(3,410)	-	3,410	-	-	-	-	-
Improving Teacher Quality State Grants (Title II Part A) SEA	84.367	S367A180029	ESSA - 6093 - 19	12,872	7/1/2018	6/30/2019	7,050	-	-	-	-	-	-	7,050
English Language Acquisition (Title III)	84.365A	S365A200030	ESSA - 6093 - 21	7,321	7/1/2020	9/30/2021	-	-	-	(7,321)	-	(7,321)	-	-
Individuals with Disabilities - States Grant (Preschool)	84.173A	H173A200114	IDEA - 6093 - 21	1,158	7/1/2020	9/30/2021	-	-	-	(1,158)	-	(1,158)	-	-
Individuals with Disabilities - States Grant (Basic)	84.027	H027A200100	IDEA - 6093 - 21	100,662	7/1/2020	9/30/2021	-	-	65,748	(100,662)	-	(34,914)	-	-
Individuals with Disabilities - States Grant (Basic)	84.027	H027A190100	IDEA - 6093 - 20	64,970	7/1/2019	6/30/2020	13,222	-	1,030	-	-	-	-	14,252
COVID 19 - ESSER II (Learning Acceleration Grant)	84.425D	S425D200027	N/A	15,296	3/13/2020	9/30/2023	-	-	-	(15,296)	-	(15,296)	-	-
COVID 19 - CARES Emergency Relief Grant	84.425D	S425D200027	N/A	163,936	3/13/2020	9/30/2022	-	-	145,467	(163,936)	-	(18,469)	-	-
							<u>10,569</u>	<u>-</u>	<u>388,849</u>	<u>(538,379)</u>	<u>-</u>	<u>(173,831)</u>	<u>-</u>	<u>34,870</u>
U.S. Department of Treasury:														
Passed-through New Jersey State Department of Education														
Special Revenue Fund:														
COVID 19 - Coronavirus Relief Fund	21.019	SLT0007	N/A	38,037	9/23/2020	12/31/2020	-	-	38,037	(38,037)	-	-	-	-
							<u>-</u>	<u>-</u>	<u>38,037</u>	<u>(38,037)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
U.S. Department of Education:														
Passed-through New Jersey State Department of Agriculture														
Enterprise Fund:														
National School Lunch Program	10.555	211NJ304N1099	N/A	9,812	7/1/2020	6/30/2021	-	-	7,860	(9,812)	-	(1,952)	-	-
National School Breakfast Program	10.553	211NJ304N1099	N/A	5,173	7/1/2020	6/30/2021	-	-	4,143	(5,173)	-	(1,030)	-	-
							<u>-</u>	<u>-</u>	<u>12,003</u>	<u>(14,985)</u>	<u>-</u>	<u>(2,982)</u>	<u>-</u>	<u>-</u>
Total Expenditures of Federal Awards							<u>\$ 10,569</u>	<u>\$ -</u>	<u>\$ 438,889</u>	<u>\$ (591,401)</u>	<u>\$ -</u>	<u>\$ (176,813)</u>	<u>\$ -</u>	<u>\$ 34,870</u>

SCHEDULE OF STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020				Budgetary Expenditures Pass-through Funds	Adjustments/ Repayment Prior Year's Balances	Balance at June 30, 2021				MEMO	
				Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received			Intergovernmental (Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditure	
New Jersey State Department of Education															
General Fund:															
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	\$ 3,136,342	\$ -	\$ -	\$ -	\$ 3,008,216	\$ (3,136,342)	\$ -	\$ (211,864)	\$ -	\$ 83,738	\$ 211,864	\$ -	\$ 3,136,342
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	3,046,315	(184,754)	97,913	-	205,783	-	(90,743)	-	-	28,199	-	-	
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	2,583,572	(31,063)	7	-	-	-	-	(31,063)	-	7	-	-	
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	2,356,636	(8,126)	-	933	-	-	-	(7,193)	-	-	-	-	
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	2,175,118	(18,943)	-	6,501	-	-	-	(12,442)	-	-	-	-	
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	1,723,763	(8,133)	-	8,133	-	-	-	-	-	-	-	-	
Special Education Categorical Aid	2-495-034-5120-089	7/1/20-6/30/21	112,985	-	-	-	112,985	(112,985)	-	-	-	-	-	112,985	
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	121,809	-	-	-	121,809	(121,809)	-	-	-	-	-	121,809	
Adjustment Aid	21-495-034-5120-085	7/1/20-6/30/21	902,016	-	-	-	902,016	(902,016)	-	-	-	-	-	902,016	
Reimbursed Social Security Tax	21-495-034-5094-003	7/1/20-6/30/21	144,569	-	-	-	137,785	(144,569)	-	(6,784)	-	-	-	144,569	
Reimbursed Social Security Tax	20-495-034-5094-003	7/1/19-6/30/20	148,802	(14,486)	-	-	14,486	-	-	-	-	-	-	-	
On-Behalf Teachers' Pension and Annuity Fund	21-495-034-5094-002	7/1/20-6/30/21	440,083	-	-	-	440,083	(440,083)	-	-	-	-	-	440,083	
On-Behalf-Teachers' Pension and Annuity Fund – Post-Retirement Medical	21-495-034-5094-001	7/1/20-6/30/21	137,915	-	-	-	137,915	(137,915)	-	-	-	-	-	137,915	
On-Behalf- Teachers' Pension and Annuity Fund – Non-contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	692	-	-	-	692	(692)	-	-	-	-	-	692	
Total General Fund				(265,505)	97,920	15,567	5,081,750	(4,996,391)	(90,743)	(269,346)	-	111,944	211,864	4,996,391	
Enterprise Fund:															
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	608	-	-	-	469	(608)	-	(139)	-	-	139	608	
Total Expenditures of State Financial Assistance				\$ (265,505)	\$ 97,920	\$ 15,567	\$ 5,082,219	\$ (4,996,999)	\$ (90,743)	\$ (269,485)	\$ -	\$ 111,944	\$ 212,003	\$ 4,996,999	
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf Teachers' Pension and Annuity Fund	21-495-034-5094-002							440,083							
On-Behalf-Teachers' Pension and Annuity Fund – Post-Retirement Medical	21-495-034-5094-001							137,915							
On-Behalf- Teachers' Pension and Annuity Fund – Non-contributory Insurance	21-495-034-5094-004							692							
								578,690							
Total for State Financial Assistance-Major Program Determination								\$ (4,418,309)							

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE**

FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Trustees for the Jersey City Global Charter School (the "Charter School"). The Board of Trustees is defined in Note 1 to the Charter School's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with the amounts reported in the Charter School's basic financial statements. The basic financial statements present the special revenue fund on both GAAP and budgetary basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. See Exhibit C-3 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 Charter School's basic financial statements on a GAAP basis as follows:

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE - CONTINUED**

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS - CONTINUED

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 4,417,701	\$ 4,417,701
Special Revenue Fund	576,416	-	576,416
Enterprise Fund	14,985	608	15,593
Total	<u>\$ 591,401</u>	<u>\$ 4,418,309</u>	<u>\$ 5,009,710</u>

NOTE 4 RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5 ON-BEHALF PAYMENTS

TPAF Social Security Contributions represents reimbursements in the amount of \$144,569 by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021. The State had also made on-behalf TPAF pension, post-retirement medical benefits and long-term disability insurance contributions totaling \$578,690.

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

On-behalf State Programs for TPAF pension, post-retirement medical benefits and long-term disability insurance contributions are not subject to a State Single Audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State Financial Assistance reported in the Charter School's financial statements and the amount subject to State single audit and major program determination.

NOTE 7 DE MINIMIS INDIRECT COST

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

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FISCAL YEAR ENDED JUNE 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statement Section

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes None reported

Significant deficiency(ies) identified not considered to be material weaknesses?

Yes No

Noncompliance material to financial statements noted?

Yes No

Federal Awards (Not Applicable)

Dollar threshold used to determine Type A and B programs:

N/A

Auditee qualified as low-risk auditee?

Yes No

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

N/A

Internal control over compliance:

Material weakness(es) identified?

Yes No

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

Yes No

Any audit findings disclosed that are required to be reported in accordance with 2-CFR 200 section .516(a)?

Yes No

Identification of Major Programs:

CFDA Number

Federal Program

No major programs identified.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

SECTION I - SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

State Financial Assistance

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

Auditee qualified as low-risk auditee? Yes No

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

Internal control over compliance:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified not considered to be material weakness(es)? Yes No

Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB Circular Letter 15-08? Yes No

Identification of Major Programs:

<u>State or Project No.</u>	<u>Name of State Program</u>
State Aid Public Cluster:	
21-495-034-5120-078	Equalization Aid
21-495-034-5120-084	Categorical Security Aid
21-495-034-5120-089	Special Education Categorical Aid
21-495-034-5120-085	Adjustment Aid

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

None noted.

**JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)**

**SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS AS
PREPARED BY MANAGEMENT**

FISCAL YEAR ENDED JUNE 30, 2021

There was no prior year finding.