

**JERSEY CITY GLOBAL
CHARTER SCHOOL**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2023

**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

March 15, 2024

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 Annual Comprehensive Financial Report (ACFR) of the Jersey City Global Charter School (Charter School) for the fiscal year ended June 30, 2023. This ACFR 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 Annual Comprehensive 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 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 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 2022-2023 school year with an enrollment of 409 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
2022-2023	416	88.00%
2021-2022	431	91.00%
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. The goals for the upcoming academic years emphasize the importance of a smooth leadership transition, transparent collaboration with the Board of Trustees, extensive community engagement, and proactive measures to address immediate concerns.

Language Arts Literacy

The school utilized the Linkit Assessments 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 Eighth Grade that 5 grade levels obtained 50% or higher of students met or exceeded ELA benchmarks. In grades Kindergarten to Second Grade about 80% or more of students in each grade met or exceeded ELA benchmarks. We observed that more than 60% of students in the 7th and 8th grade met or exceeded the benchmark respectively in ELA.

Mathematics

In the academic area of Mathematics, 90% kindergarten students met or exceeded the benchmark by end of the year. In first grade 85% of the student population met or exceeded benchmark, whereas in second grade 59% of students met or exceeded the benchmark.

We further observed that 55% of students in the third and 36% fourth grade students met or exceeded benchmark. In the fifth grade 31% students met or exceeded the benchmark. Only 32% of students in the sixth grade and 24% of students in the seventh grade and 9% of eighth grade students met or exceeded the benchmark.

In the 2022-2023 Linkit assessment phase, we observed that students made small gains in their final Linkit scores; however students in grades 6-8 have been identified as cohorts in need of more intensive support in ELA & Math.

Dynamic Learning MAPS

No students were administered Dynamic Learning Maps.

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

4. INTERNAL ACCOUNTING CONTROLS – CONTINUED:

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, 2023.
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 Uniform Guidance and 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.

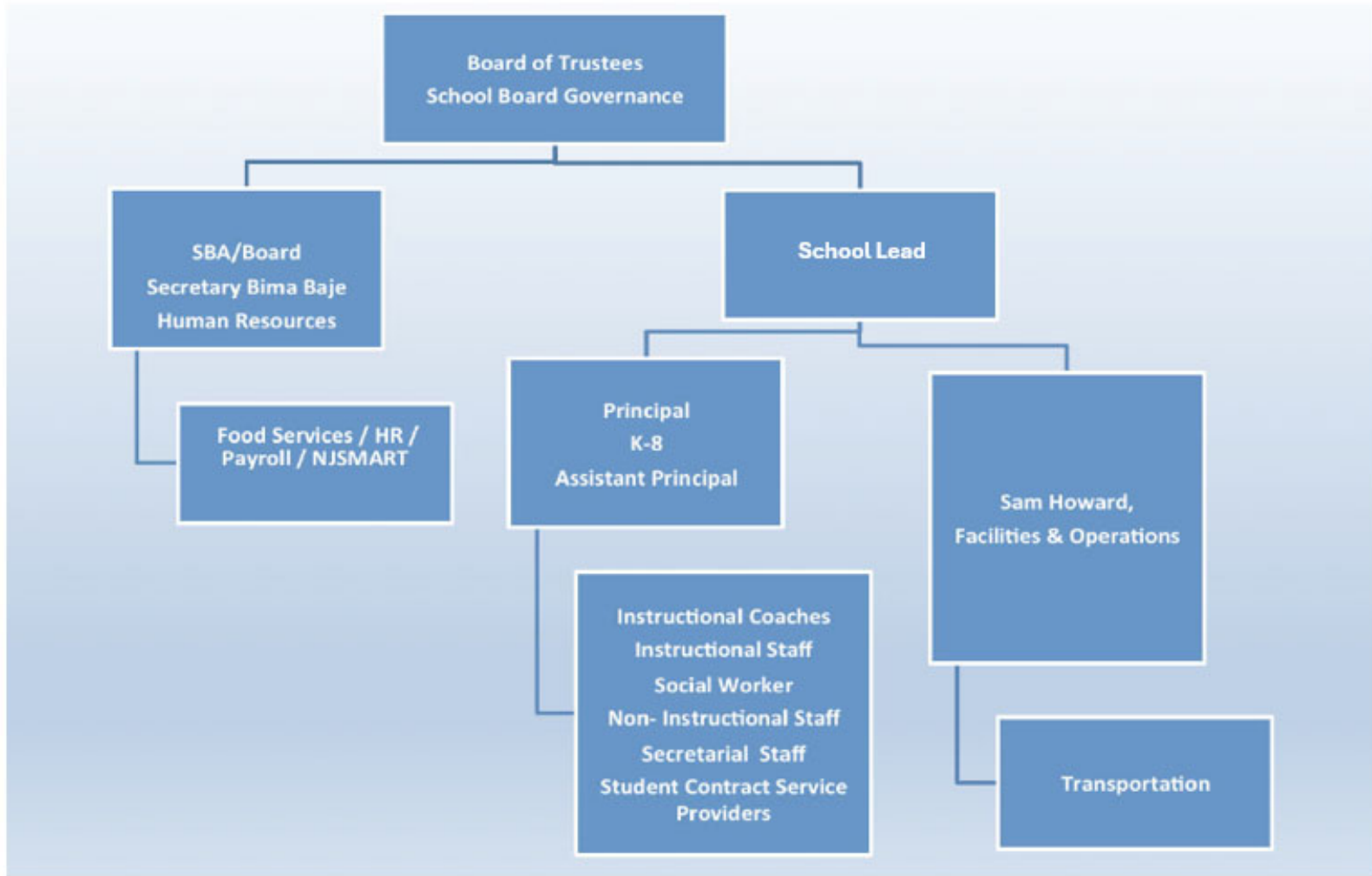
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Bima Baje', written in a cursive style.

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, 2023

MEMBERS OF THE BOARD OF TRUSTEES

TERM

Alice Sylvia Minor, President	June 30, 2025
Tiffany Burress, Vice President	June 30, 2025
Kathleen Davis, Trustee	June 30, 2025
Kevin Neaves, Trustee	June 30, 2025
Jose Arango, Trustee	June 30, 2025
Jose Manuel Vazquez, Trustee	June 30, 2023
Huanne Hughes, Trustee	June 30, 2026
Nicole Juarez, Trustee	June 30, 2026
Sonia Schulman, Trustee	June 30, 2026

OTHER OFFICIALS

Lemuer Perez, Head of School
Bima Baje, SBA/Board Secretary
Adams, Gutierrez, & Lattiboudere, LLC, 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

AG&L Adams, Gutierrez & Lattiboudere, LLC
Suite 240 555 Route 1 South
Iselin, New Jersey 08830

Official Depositories

Provident Bank
100 Wood Avenue
South Iselin, NJ 08830

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To 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 Audit of the Financial Statements

Opinions

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, 2023 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.

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, 2023, 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.

Basis for Opinions

We conducted our audit 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; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Charter School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 2 to the financial statements during the fiscal year ended June 30, 2023, the Charter School adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, the *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, the *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT - CONTINUED

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the information listed under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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 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 combining and individual nonmajor fund financial statements 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 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 also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 nonmajor fund financial statements, and the Schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2023. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2024 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

March 15, 2024
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, 2023. 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 2023 are as follows:

- General revenues accounted for \$6.55 million or 74% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2.29 million or 26% of total revenues of \$8.84 million.
- The Charter School had \$7.44 million in expenses; only \$2.29 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$6.55 million were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$7.46 million in revenues and \$7.37 million in expenditures and other financing uses. The General Fund’s fund balance increased by \$0.09 million.

Using this Annual Comprehensive Financial Report (ACFR)

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 2023?” 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

Reporting the School Charter School’s Most Significant Funds - 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, 2023.

	Governmental Activities	Business Type Activities	Total
Assets			
Current Assets	\$ 3,092,133	\$ 9,672	\$ 3,101,805
Capital Assets, net	2,270,181	970	2,271,151
Right-of-use Assets, net	<u>91,329</u>	<u>-</u>	<u>91,329</u>
Total Assets	<u>5,453,643</u>	<u>10,642</u>	<u>5,464,285</u>
Deferred Outflow of Resources			
	<u>962,880</u>	<u>-</u>	<u>962,880</u>
Liabilities			
Current Liabilities	721,198	774	721,972
Noncurrent Liabilities	<u>1,585,851</u>	<u>-</u>	<u>1,585,851</u>
Total Liabilities	<u>2,307,049</u>	<u>774</u>	<u>2,307,823</u>
Deferred Inflow of Resources			
	<u>283,108</u>	<u>-</u>	<u>283,108</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

The Charter School as a Whole - Continued

	Governmental Activities	Business Type Activities	Total
Net Position			
Invested in Capital Assets, net of related debt	2,270,181	970	2,271,151
Invested in Right-of-use Assets, net of related debt	(13,374)	-	(13,374)
Restricted for			
Student Activities	(169)	-	(169)
Food Service	12,003	-	12,003
Unrestricted	<u>1,557,725</u>	<u>8,898</u>	<u>1,566,623</u>
Total Net Position	<u>\$ 3,826,366</u>	<u>\$ 9,868</u>	<u>\$ 3,836,234</u>

The total net position of the Charter School has increased by \$1.40 million during the current fiscal year.

The table that follows reflects the change in net position for fiscal year 2023:

	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charge for Services	\$ 28,578	\$ 21,005	\$ 159,675	\$ 97,765	\$ 188,253	\$ 118,770
Operating grants and Contributions	<u>1,990,885</u>	<u>1,785,925</u>	<u>116,584</u>	<u>231,737</u>	<u>2,107,469</u>	<u>2,017,662</u>
Total Program Revenues	<u>2,019,463</u>	<u>1,806,930</u>	<u>276,259</u>	<u>329,502</u>	<u>2,295,722</u>	<u>2,136,432</u>
General Revenues:						
Local Aid	4,602,488	3,282,055	-	-	4,602,488	3,282,055
Federal and State Aid	1,893,687	2,516,663	-	-	1,893,687	2,516,663
Transfers	(17,496)	-	17,496	-	-	-
Miscellaneous	<u>51,193</u>	<u>42,274</u>	<u>-</u>	<u>-</u>	<u>51,193</u>	<u>42,274</u>
Total General Revenues	<u>6,529,872</u>	<u>5,840,992</u>	<u>17,496</u>	<u>-</u>	<u>6,547,368</u>	<u>5,840,992</u>
Total Revenues	<u>8,549,335</u>	<u>7,647,922</u>	<u>293,755</u>	<u>329,502</u>	<u>8,843,090</u>	<u>7,977,424</u>

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

MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED

The Charter School as a Whole - continued

	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Expenses:						
Instructions	3,806,819	4,212,036	-	-	3,806,819	4,212,036
Administrative	1,948,063	1,336,216	-	-	1,948,063	1,336,216
Support services	940,267	719,243	-	-	940,267	719,243
Unallocated						
Capital outlay	51,354	31,966	-	-	51,354	31,966
Depreciation	25,630	17,681	-	-	25,630	17,681
Amortization of right-of-use assets	378,957	378,957	-	-	378,957	378,957
Food Service	-	-	193,389	342,041	193,389	342,041
After Care	-	-	99,415	-	99,415	-
Total Expenses	<u>7,151,090</u>	<u>6,696,099</u>	<u>292,804</u>	<u>342,041</u>	<u>7,443,894</u>	<u>7,038,140</u>
Change in Net Position	<u>\$ 1,398,245</u>	<u>\$ 951,823</u>	<u>\$ 951</u>	<u>\$ (12,539)</u>	<u>\$ 1,399,196</u>	<u>\$ 939,284</u>

In 2023, total revenues increased by \$0.87 million about 11% compared to total revenues in 2022. Total expenses in 2023 increased by \$0.41 million or about 6%.

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, 2023.

	Total Cost of Services	Charges for Services	Grants/ Contributions	Net Cost of Services
Instruction	\$ 3,806,819	\$ -	\$ 1,290,591	\$ (2,516,228)
Administrative	1,948,063	-	396,149	(1,551,914)
Support services	940,267	28,578	304,145	(607,544)
Unallocated:				
Capital outlay	51,354	-	-	(51,354)
Depreciation	25,630	-	-	(25,630)
Amortization of right-of-use assets	378,957	-	-	(378,957)
Total Expenses	<u>\$ 7,151,090</u>	<u>\$ 28,578</u>	<u>\$ 1,990,885</u>	<u>\$ (5,131,627)</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

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 and other financing sources of \$8.27 million and expenditures and other financing uses of \$8.18 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 2023, 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 and other financing sources were \$6.63 million which included a local tax levy of \$4.60 million. Expenditures and other financing uses were budgeted at \$6.95 million. The Charter School anticipated \$0.33 million decrease in fund balance. In fiscal year 2022-2023, actual revenues and other financing sources were \$7.46 million, and expenditures and other financing uses were \$7.37 million.

The State of New Jersey reimbursed the Charter School \$0.08 million during the year ended June 30, 2023 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 \$0.83 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 2023, the Charter School had \$2.27 million invested in capital assets as follows:

	Governmental Activities	Business Type Activities	Total
Machinery and equipment	\$ 153,139	\$ 4,152	\$ 157,291
Leasehold improvements in-progress	<u>2,246,834</u>	<u>-</u>	<u>2,246,834</u>
Total capital assets	2,399,973	4,152	2,404,125
Less: Accumulated depreciation	<u>(129,792)</u>	<u>(3,182)</u>	<u>(132,974)</u>
Totals	<u>\$ 2,270,181</u>	<u>\$ 970</u>	<u>\$ 2,271,151</u>

Right-of-use Assets

At the end of fiscal year 2023, the Charter School had \$0.09 million of right-of-use assets, net of accumulated amortization of \$3.64 million which pertains to the leased building and cafeteria.

Noncurrent Liabilities

At the end of fiscal year 2023, noncurrent liabilities are as follows:

	Balance at June 30, 2022	Additions	Maturities/ Payments	Balance at June 30, 2023	Due within One Year
Net Pension Liability	\$ 726,085	\$ 755,063	\$ -	\$ 1,481,148	\$ 134,499
Loans payable	1,199,019	-	(1,199,019)	-	-
Lease liabilities	<u>675,558</u>	<u>-</u>	<u>(570,855)</u>	<u>104,703</u>	<u>22,696</u>
Total	<u>\$ 2,600,662</u>	<u>\$ 755,063</u>	<u>\$(1,769,874)</u>	<u>\$ 1,585,851</u>	<u>\$ 157,195</u>

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 2022-2023. 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 supply, equipment and programs they need to meet New Jersey’s Core Curriculum Content Standards.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

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, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets:			
Cash and cash equivalents	\$ 1,844,165	\$ 4,267	\$ 1,848,432
Accounts receivable	1,222,968	5,405	1,228,373
Other current assets	25,000	-	25,000
Total current assets	<u>3,092,133</u>	<u>9,672</u>	<u>3,101,805</u>
Capital Assets:			
Leasehold improvements in-progress	2,246,834	-	2,246,834
Machinery and equipment	153,139	4,152	157,291
	<u>2,399,973</u>	<u>4,152</u>	<u>2,404,125</u>
Less: Accumulated depreciation	<u>129,792</u>	<u>3,182</u>	<u>132,974</u>
Net capital assets	<u>2,270,181</u>	<u>970</u>	<u>2,271,151</u>
Right-of-use Assets:			
School building	3,561,244	-	3,561,244
Cafeteria	171,243	-	171,243
	<u>3,732,487</u>	<u>-</u>	<u>3,732,487</u>
Less: Accumulated depreciation and amortization	<u>(3,641,158)</u>	<u>-</u>	<u>(3,641,158)</u>
Net right-of-use assets	<u>91,329</u>	<u>-</u>	<u>91,329</u>
Total assets	<u>5,453,643</u>	<u>10,642</u>	<u>5,464,285</u>
Deferred Outflows of Resources	<u>962,880</u>	<u>-</u>	<u>962,880</u>
Liabilities			
Current Liabilities:			
Accounts payable	475,954	774	476,728
Payroll deductions and withholdings	28,158	-	28,158
Intergovernmental payable - State	116,854	-	116,854
Deferred revenues	100,232	-	100,232
Total current liabilities	<u>721,198</u>	<u>774</u>	<u>721,972</u>
Noncurrent Liabilities:			
Due within one year	157,195	-	157,195
Due in more than one year	1,428,656	-	1,428,656
Total noncurrent liabilities	<u>1,585,851</u>	<u>-</u>	<u>1,585,851</u>
Total liabilities	<u>2,307,049</u>	<u>774</u>	<u>2,307,823</u>
Deferred Inflows of Resources	<u>283,108</u>	<u>-</u>	<u>283,108</u>
Net Position			
Net investment in capital assets, net of related debt	2,270,181	970	2,271,151
Net investment in right-of-use assets, net of related debt	(13,374)	-	(13,374)
Restricted for:			
Student activities	(169)	-	(169)
Food service	12,003	-	12,003
Unrestricted	1,557,725	8,898	1,566,623
Total Net Position	<u>\$ 3,826,366</u>	<u>\$ 9,868</u>	<u>\$ 3,836,234</u>

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

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Governmental activities:						
Instruction	\$ 3,806,819	\$ -	\$ 1,290,591	\$ (2,516,228)	\$ -	\$ (2,516,228)
Administrative cost	1,948,063	-	396,149	(1,551,914)	-	(1,551,914)
Support services	940,267	28,578	304,145	(607,544)	-	(607,544)
Unallocated:						
Capital outlay	51,354	-	-	(51,354)	-	(51,354)
Depreciation	25,630	-	-	(25,630)	-	(25,630)
Amortization of right-of-use assets	<u>378,957</u>	-	-	<u>(378,957)</u>	-	<u>(378,957)</u>
Total governmental activities	7,151,090	28,578	1,990,885	(5,131,627)	-	(5,131,627)
Business-type activities:						
Food Service	193,389	25,949	116,584	-	(50,856)	(50,856)
After Care	<u>99,415</u>	<u>133,726</u>	<u>-</u>	<u>-</u>	<u>34,311</u>	<u>34,311</u>
Total primary government	<u>\$ 7,443,894</u>	<u>\$ 188,253</u>	<u>\$ 2,107,469</u>	<u>\$ (5,131,627)</u>	<u>\$ (16,545)</u>	<u>\$ (5,148,172)</u>
General revenues, transfers and special items:						
Local sources				\$ 4,602,488	\$ -	\$ 4,602,488
State sources				1,893,687	-	1,893,687
Transfers				(17,496)	17,496	-
Miscellaneous				<u>51,193</u>	<u>-</u>	<u>51,193</u>
Total general revenues, transfers and special items				<u>6,529,872</u>	<u>17,496</u>	<u>6,547,368</u>
Changes in net position				1,398,245	951	1,399,196
Net position - beginning				<u>2,428,121</u>	<u>8,917</u>	<u>2,437,038</u>
Net position - ending (A-1)				<u>\$ 3,826,366</u>	<u>\$ 9,868</u>	<u>\$ 3,836,234</u>

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

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

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 1,837,576	\$ 6,589	\$ 1,844,165
Accounts receivables:			
Federal	-	770,124	770,124
State	435,164	17,680	452,844
Interfund accounts receivable	638,162	13,110	651,272
Security deposit	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total assets	<u>\$ 2,935,902</u>	<u>\$ 807,503</u>	<u>\$ 3,743,405</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 419,786	\$ 56,168	\$ 475,954
Payroll deductions and withholdings payable	28,158	-	28,158
Intergovernmental payables - State	116,854	-	116,854
Interfund accounts payable	-	651,272	651,272
Deferred revenue	<u>-</u>	<u>100,232</u>	<u>100,232</u>
Total liabilities	<u>564,798</u>	<u>807,672</u>	<u>1,372,470</u>
Fund balances:			
Restricted:			
Student activities	-	(169)	(169)
Unassigned	<u>2,371,104</u>	<u>-</u>	<u>2,371,104</u>
Total fund balances	<u>2,371,104</u>	<u>(169)</u>	<u>2,370,935</u>
Total liabilities and fund balances	<u>\$ 2,935,902</u>	<u>\$ 807,503</u>	

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

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

Cost of capital assets	\$ 2,399,973
Accumulated depreciation	<u>(129,792)</u>
	<u>2,270,181</u>
Cost of right-of-use assets	\$ 3,732,487
Accumulated amortization	<u>(3,641,158)</u>
	<u>91,329</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>679,772</u>
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Long-term liabilities, including lease liabilities, pension and loans are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Loans payable	-
Net pension liability	(1,481,148)
Lease liabilities	<u>(104,703)</u>
	<u>(1,585,851)</u>

Net position of governmental activities - A-1

<u>\$ 3,826,366</u>

**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, 2023

	General Fund	Special Revenue Fund	Total
Revenues			
Local Sources:			
Local tax levy	\$ 4,602,488	\$ -	\$ 4,602,488
Miscellaneous	51,193	28,578	79,771
Total revenues - local sources	4,653,681	28,578	4,682,259
Federal sources	-	752,598	752,598
State sources	1,893,687	32,510	1,926,197
Reimbursed TPAF - Social Security (non-budgeted)	84,454	-	84,454
On-behalf Teachers' Pension and Annuity Fund pension contributions (non-budgeted)	655,361	-	655,361
On-behalf Teachers' Pension and Annuity Fund post-retirement medical (non-budgeted)	172,162	-	172,162
On-behalf Teachers' Pension and Annuity Fund non-contributory insurance (non-budgeted)	590	-	590
Total revenues	<u>7,459,935</u>	<u>813,686</u>	<u>8,273,621</u>
Expenditures			
Current expense:			
Regular instruction	1,962,919	515,653	2,478,572
Special education instruction	79,732	-	79,732
Student and instruction related services	154,280	298,202	452,482
Other administrative services	1,073,808	-	1,073,808
School administrative services	236,014	-	236,014
Plant operations and maintenance	408,245	-	408,245
Pupil transportation	3,513	-	3,513
Personal services - employee benefits	1,592,178	-	1,592,178
Capital outlay	458,986	-	458,986
Total expenditures	<u>5,969,675</u>	<u>813,855</u>	<u>6,783,530</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	1,490,260	(169)	1,490,091
Other financing sources (uses):			
Operating transfers out - Food Program	(17,496)	-	(17,496)
Principal payment of loans payable	(789,343)	-	(789,343)
Principal payments of leases	(570,855)	-	(570,855)
Interest payments of leases	(20,137)	-	(20,137)
Total other financing sources (uses)	<u>(1,397,831)</u>	<u>-</u>	<u>(1,397,831)</u>
Excess of revenues over expenditures	92,429	(169)	92,260
Fund balances at beginning of the year	<u>2,278,675</u>	<u>-</u>	<u>2,278,675</u>
Fund balances at end of year	<u>\$ 2,371,104</u>	<u>\$ (169)</u>	<u>\$ 2,370,935</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, 2023

Total net change in fund balances - governmental funds (B-2) \$ 92,260

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

Capital outlays related to right-of-use assets and capital assets 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. Additionally, in the Statement of Activities gains or (losses) are recognized upon disposition.

Capital outlay	\$ 407,632	
Depreciation expense	(25,630)	
Amortization expense	<u>(378,957)</u>	3,045

Repayment of loan and lease obligations are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and are not reported in the Statement of Activities.

Principal payment of loans payable	789,343	
Principal payment of lease liabilities	<u>570,855</u>	1,360,198

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.

Pension costs		<u>(57,258)</u>
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Change in net position of governmental activities (A-2) \$ 1,398,245

PROPRIETARY FUNDS

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

PROPRIETARY FUND

STATEMENT OF NET POSITION

JUNE 30, 2023

	FOOD SERVICE	AFTER CARE	TOTAL
Assets			
Current assets:			
Cash and cash equivalents	\$ 4,267	\$ -	\$ 4,267
Accounts receivable:			
Federal	5,247	-	5,247
State	<u>158</u>	<u>-</u>	<u>158</u>
Total current assets	<u>9,672</u>	<u>-</u>	<u>9,672</u>
Capital assets:			
Machinery and equipment	4,152	-	4,152
Less: Accumulated depreciation	<u>(3,182)</u>	<u>-</u>	<u>(3,182)</u>
Net capital assets	<u>970</u>	<u>-</u>	<u>970</u>
Total assets	<u>\$ 10,642</u>	<u>\$ -</u>	<u>\$ 10,642</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 774	\$ -	\$ 774
Interfund payable (internal)	<u>21,871</u>	<u>(21,871)</u>	<u>-</u>
	<u>22,645</u>	<u>(21,871)</u>	<u>774</u>
Net position			
Unrestricted	<u>(12,003)</u>	<u>21,871</u>	<u>9,868</u>
Total liabilities and net position	<u>\$ 10,642</u>	<u>\$ -</u>	<u>\$ 10,642</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, 2023

	FOOD SERVICE	AFTER CARE	TOTAL
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 25,279	\$ -	\$ 25,279
After school fees	-	133,726	133,726
Miscellaneous revenue	670	-	670
Total operating revenues	<u>25,949</u>	<u>133,726</u>	<u>159,675</u>
Operating expenses:			
Supplies and materials - reimbursable programs	191,652	-	191,652
Salaries	-	99,415	99,415
Depreciation	830	-	830
Miscellaneous	907	-	907
Total operating expenses	<u>193,389</u>	<u>99,415</u>	<u>292,804</u>
Operating income (loss)	<u>(167,440)</u>	<u>34,311</u>	<u>(133,129)</u>
Nonoperating revenues:			
State sources:			
State School Lunch Program	2,499	-	2,499
Federal sources:			
National School Lunch Program	66,812	-	66,812
National School Breakfast Program	12,284	-	12,284
Supply Chain Assistance Funding	34,989	-	34,989
Total nonoperating revenues	<u>116,584</u>	<u>-</u>	<u>116,584</u>
Income (loss) before transfers	(50,856)	34,311	(16,545)
Transfers in - General fund	<u>17,496</u>	<u>-</u>	<u>17,496</u>
Changes in net position	(33,360)	34,311	951
Total net position at beginning of year	<u>21,357</u>	<u>(12,440)</u>	<u>8,917</u>
Total net position at end of year	<u>\$ (12,003)</u>	<u>\$ 21,871</u>	<u>\$ 9,868</u>

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

PROPRIETARY FUND

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023

	FOOD SERVICE	AFTER CARE	TOTAL
Cash flows from operating activities			
Operating income (loss)	\$ (167,440)	\$ 34,311	\$ (133,129)
Adjustment to reconcile operating income to net cash from operating activities:			
Depreciation	830	-	830
Changes in assets and liabilities:			
Accounts receivable	15,051	-	15,051
Accounts payable	774	-	774
Interfund payable - General fund	(37,065)	-	(37,065)
Interfund payable (internal)	<u>34,311</u>	<u>(34,311)</u>	<u>-</u>
Net cash from operating activities	<u>(153,539)</u>	<u>-</u>	<u>(153,539)</u>
Cash flows from noncapital financing activities			
Cash received from state and federal reimbursements	116,584	-	116,584
Transfer in - General Fund	<u>17,496</u>	<u>-</u>	<u>17,496</u>
Net cash from noncapital financing activities	<u>134,080</u>	<u>-</u>	<u>134,080</u>
Net decrease in cash and cash equivalents	(19,459)	-	(19,459)
Cash and cash equivalents at beginning of the year	<u>23,726</u>	<u>-</u>	<u>23,726</u>
Cash and cash equivalents at end of year	<u>\$ 4,267</u>	<u>\$ -</u>	<u>\$ 4,267</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, 2023, 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, 2023

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, 2023, 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, 2023, 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. The 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 does not have a fiduciary activity as of and for the year ended June 30, 2023.

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. Assets, Liabilities, and Equity

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.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Assets, Liabilities, and Equity - Continued

Deposits, Investments and Risk Disclosure - continued

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.

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.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Assets, Liabilities, and Equity - Continued

Deposits, Investments and Risk Disclosure - Continued

Investments - continued

- 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, 2023, the Charter School did not hold any investments.

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, 2023, 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.

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. There was no prepayment as of June 30, 2023.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Assets, Liabilities, and Equity - continued

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.

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.

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 years
Machinery and equipment	5-10 years
Leasehold improvements	remaining term of the lease or remaining Charter School term, whichever is shorter

Right-of-use Assets

Right-of-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized over the lease term or the life of the asset, whichever is shorter.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Assets, Liabilities, and Equity - Continued

Subscription Assets

In the charter school-wide financial statements, subscription assets are measured as the sum of (1) present value of subscription payments expected to be made during the subscription term plus (2) payments made before commencement of the subscription term, and (3) any capitalizable implementation costs, less any incentives received at or before the commencement of the subscription term in the charter school-wide and proprietary fund financial statements and is amortized on a straight-line basis over the subscription term. Short-term SBITAs, which have a maximum possible term of 12 months, including any options to extend, regardless of their probability of being exercised are recognized as outflows of resources in the period paid. The Charter School does not have subscription assets as of June 30, 2023.

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.

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, 2023, there are no liabilities for compensated absences.

Pensions

In government-wide financial statements, pensions are recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Assets, Liabilities, and Equity - Continued

Pensions - continued

The Charter School recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, measured as of the Charter School's fiscal year-end or the Charter School's proportionate share thereof in the case of a cost-sharing multi-employer plan. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience, are amortized over the weighted average remaining service life of all participants, including retirees, in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they arose.

Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Deferred Revenue

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

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.

Lease Liabilities

Lease liabilities are measured at the present value of payments expected to be made during the lease term (less any lease incentives).

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Assets, Liabilities, and Equity - Continued

Subscription Liabilities

In the charter school-wide financial statements, subscription liabilities are reported and measured as the present value of subscription payments at the charter school's incremental borrowing rate. The Charter School does not have subscription liabilities as of June 30, 2023.

Deferred Outflows and Inflows of Resources

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represent a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

The deferred outflows of resources and deferred inflows of resources in the Charter School-wide governmental activities pertain to pensions.

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.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Assets, Liabilities, and Equity - Continued

Fund Balance and Equity - Continued

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.

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.

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.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Assets, Liabilities, and Equity - Continued

Net Position - Continued

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.

Contributed Capital

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

K. 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.

L. 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.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

M. 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 2020.

N. 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.

O. 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 March 15, 2024.

NOTE 2 ACCOUNTING PRONOUNCEMENTS

A. *Accounting Pronouncement Adopted During the Year*

GASB Statement No. 91, *Conduit Debt Obligations* provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Charter School is not a party to a conduit debt obligation, and therefore, the adoption of this standard did not have an effect on the Charter School's financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* provides new definitions and guidance for accounting and financial reporting for public-private, public-public partnerships (PPPs) and availability payment arrangements (APAs).

A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time, in an exchange or exchange-like transaction.

**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 - continued

An APA is an arrangement in which a government compensates an operator for activities that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time, in an exchange or exchange-like transaction. In an APA, a government procures a capital asset or service, rather than receiving compensation to allow another entity to provide public services. During the process of evaluating the impact of this statement, it was confirmed that the Charter School is not involved in APA arrangements.

The Charter School do not have a PPP nor APA type of agreements, and thus the adoption of Statement No. 93 had no impact on the Charter School's current accounting practices nor its financial reporting.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. The Statement is based on the principle that SBITAs are financings of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). It establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. Additionally, the Statement provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The new SBITA standard also requires enhanced disclosures which include a general description of a SBITA arrangement, the total amount of subscription assets and the related accumulated amortization, the amount of outflow of resources recognized from SBITA contracts that are not included in the measurement of the liability, and the disclosure of the long-term effect of SBITA arrangements on a government's resources.

All of Charter School's SBITA are for a term of 12 months or less. Thus, the adoption did not have an effect on the Charter School's financial statements

GASB Statement No. 92, *Omnibus 2022*, addresses a variety of practice issues, such as requirements related to derivatives, leases, PPPs and SBITAs that were identified during implementation and application of certain GASB Statements. The effective periods of Statement No. 99 covered multiple fiscal years. The Charter School implemented some of the requirements of this statement in its fiscal year ended June 30, 2022 financials, and the residual items in the current fiscal year and found that there were no material impacts to the Charter School's financial statements. Additionally, the Charter School does not have derivative or hedging instruments and other investment instruments as defined by Statement No. 99.

**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

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Charter School upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
99	Omnibus 2022	2024
100	Accounting Changes and Error Corrections— an amendment of GASB Statement No. 62	2024
101	Compensated Absences	2024

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, 2023, the Charter School's carrying amount of deposits and investments are as follows:

	General Fund	Special Revenue Fund	Enterprise Fund	Total
Operating account	\$ 1,762,576	\$ -	\$ 4,267	\$ 1,766,843
Restricted cash	<u>75,000</u>	<u>6,589</u>	<u>-</u>	<u>81,589</u>
Total	<u>\$ 1,837,576</u>	<u>\$ 6,589</u>	<u>\$ 4,267</u>	<u>\$ 1,848,432</u>

Operating cash accounts are held in the Charter School's name by several banking institutions. At June 30, 2023, the Charter School's carrying amount of deposits was \$1,848,432 and the bank balance was \$2,122,344. Of the bank balance, up to a maximum of \$250,000 of the Charter School's cash deposits on June 30, 2023 were secured by federal deposit insurance and \$1,872,344 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").

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3 CASH AND CASH EQUIVALENTS - CONTINUED

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, 2023. 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”.

NOTE 4 CAPITAL ASSETS

Capital assets activities for the year ended June 30, 2023 are as follows:

Governmental Activities	Beginning Balance	Net Additions (Deletions)	Ending Balance
<i>Capital assets being depreciated:</i>			
Machinery and equipment	\$ 143,567	\$ 9,572	\$ 153,139
<i>Capital assets being not depreciated:</i>			
Leasehold improvements in-progress	1,848,774	398,060	2,246,834
Total	1,992,341	407,632	2,399,973
Less: Accumulated depreciation	(104,162)	(25,630)	(129,792)
Capital assets, net	<u>\$ 1,888,179</u>	<u>\$ 382,002</u>	<u>\$ 2,270,181</u>
Business-Type Activities	Beginning Balance	Net Additions (Deletions)	Ending Balance
Machinery and equipment	\$ 4,152	\$ -	\$ 4,152
Less: Accumulated depreciation	(2,352)	(830)	(3,182)
Capital assets, net	<u>\$ 1,800</u>	<u>\$ (830)</u>	<u>\$ 970</u>

NOTE 5 LEASES

A lease is defined as a contractual agreement that conveys control of the right to use another entity’s nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The Charter School leases a significant amount of nonfinancial assets such as building and cafeteria. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. As a lessee, the associated right-of-use asset as of June 30, 2023 on the government-wide Statement of Net Position is as follow:

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 5 LEASES - CONTINUED

Governmental Activities	<u>Beginning Balance</u>	<u>Net Additions (Deletions)</u>	<u>Ending Balance</u>
<i>Right-of-use assets being amortized:</i>			
Leased building	\$ 3,561,244	\$ -	\$ 3,561,244
Leased cafeteria	<u>171,243</u>	<u>-</u>	<u>171,243</u>
Total	3,732,487	-	3,732,487
Less: accumulated amortization	<u>(3,262,201)</u>	<u>(378,957)</u>	<u>(3,641,158)</u>
Right-of-use assets, net	<u>\$ 470,286</u>	<u>\$ (378,957)</u>	<u>\$ 91,329</u>

The amortization of right-of-use assets for the year ended June 30, 2023, recognized in the Charter School-wide statement of activities amounted to \$378,957.

The Charter School does not have of variable payment clauses, within its lease arrangements. The Charter School did not incur expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment. As a lessee, there are currently no agreements that include sale-leaseback and lease-leaseback transactions.

As of June 30, 2023, the Charter School's lease liabilities amounted to \$104,703.

Key estimates and judgements related to leases include how the Charter School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Charter School uses the interest rate charged by the lessor as the discount rate when available. In the absence of the lessor's interest rate, the Charter School uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease, limited to the Charter School's latest charter renewal term. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the Charter School is reasonably certain to exercise.

The Charter School monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the right-of-use asset and lease liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.

Furthermore, as of report date, the Charter school is currently in the process of renewing its lease agreements.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 6 NONCURRENT LIABILITIES

During the fiscal year ended June 30, 2023, noncurrent liabilities reported in the Statement of Net Position are as follows:

	Balance at June 30, 2022	Additions	Maturities/ Payments	Balance at June 30, 2023	Due within One Year
Net Pension Liability	\$ 726,085	\$ 755,063	\$ -	\$ 1,481,148	\$ 134,499
Loans payable	1,199,019	-	(1,199,019)	-	-
Lease liabilities	<u>675,558</u>	<u>-</u>	<u>(570,855)</u>	<u>104,703</u>	<u>22,696</u>
Total	<u>\$ 2,600,662</u>	<u>\$ 755,063</u>	<u>\$(1,769,874)</u>	<u>\$ 1,585,851</u>	<u>\$ 157,195</u>

Net Pension Liability

The net pension liability classified as due within one year amounting to \$134,499 represents pension contributions for fiscal year 2023 due and payable on April 1, 2024.

Lease Liabilities

As of June 30, 2023, the Charter School's minimum principal and interest payment requirements for its leasing activities, with a remaining term in excess of one year, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	22,696	5,444	28,140
2025	24,919	4,066	28,985
2026	27,279	2,572	29,851
2027	<u>29,809</u>	<u>938</u>	<u>30,747</u>
Total	<u>\$ 104,703</u>	<u>\$ 13,020</u>	<u>\$ 117,723</u>

NOTE 7 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. In 2022, the Charter School drawdown \$1,199,019. 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.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 7 LOAN PAYABLE - CONTINUED

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.

In September 2022, the Charter School paid the outstanding loan payable amounting to \$1,199,019.

NOTE 8 NET POSITION

As of June 30, 2023, governmental activities net position consisted of the following components:

	Governmental Activities	Business-Type Activities	Total
INVESTMENT IN CAPITAL			
<u>ASSETS, NET OF RELATED DEBT</u>			
Capital assets, net	\$ 2,270,181	\$ 970	\$ 2,271,151
Less: Long-term obligations	-	-	-
	<u>2,270,181</u>	<u>970</u>	<u>2,271,151</u>
INVESTMENT IN RIGHT-OF-USE			
<u>ASSETS, NET OF RELATED DEBT</u>			
Right-of-use assets, net	91,329	-	91,329
Less: Lease liabilities	104,703	-	104,703
	<u>(13,374)</u>	<u>-</u>	<u>(13,374)</u>

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8 NET POSITION - CONTINUED

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>RESTRICTED</u>			
Student activities	(169)	-	(169)
Food program	12,003	-	12,003
	<u>11,834</u>	<u>-</u>	<u>11,834</u>
<u>UNRESTRICTED</u>			
Net position not restricted above	1,557,725	8,898	1,566,623
NET POSITION	<u>\$ 3,826,366</u>	<u>\$ 9,868</u>	<u>\$ 3,836,234</u>

NOTE 9 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. 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
(COUNTY OF HUDSON, NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 9 PENSION PLANS – CONTINUED

A. Description of Plans

ii. 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.

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.

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

NOTE 9 PENSION PLANS – CONTINUED

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.

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.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 9 PENSION PLANS – CONTINUED

D. Contribution Requirement - continued

The Charter School's contribution to PERS for the year ended June 30, 2023 was \$123,766.

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 \$827,523. In addition, for fiscal year 2023, the State of New Jersey contributed \$590 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 \$84,454 during the year ended June 30, 2023 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.

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.

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

NOTE 9 PENSION PLANS – CONTINUED

E. GASB 68 Disclosures - Continued

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

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

At June 30, 2023, the Charter School reported in the Charter School-wide statement of net position a liability of \$1,481,148 for its proportionate share of the PERS net pension liability. The total pension liability was measured as of June 30, 2022 was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022 measurement date. The results of the June 30, 2022 measurement date was used to determine pension values for fiscal year 2022 as allowed by GASB Statement No. 68.

At June 30, 2022 measurement date, the Charter School's proportionate share was 0.0098145350% which is an increase from the proportionate share of 0.0061291099% at June 30, 2021 measurement date.

For the year ended June 30, 2023, the Charter School recognized pension expense of \$57,261. The Charter School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,690	\$ 9,427
Changes of assumptions	4,589	221,787
Net difference between projected and actual earnings on pension plan investments	61,303	-
Change in proportion and differences between Charter School contributions and proportionate share contributions	<u>886,298</u>	<u>51,894</u>
	<u>\$ 962,880</u>	<u>\$ 283,108</u>

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 9 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

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

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:

	Year Ended June 30,
2023	\$ 121,517
2024	124,891
2025	137,935
2026	149,613
2027	145,816

Actuarial assumptions. The collective total pension liability for the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increase	2.75 - 6.55% based on years of service
Investment rate of return	7.00%

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-2021.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 9 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022 measurement date) 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, 2022 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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%
Total	100.00%	

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 9 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

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

Discount rate. The discount rate used to measure the total pension liability was 7% as of June 30, 2022 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 100% 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the net pension liability	<u>\$ 1,918,957</u>	<u>\$ 1,481,148</u>	<u>\$ 1,131,775</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.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 9 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

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.

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

For the year ended June 30, 2023, the Charter School recognized pension expense and related revenue of \$210,903 in the Charter School-wide financial statements for its proportionate share in the special funding support provided by the State for its TPAF members. The results of the June 30, 2022 measurement date was used to determine pension values for fiscal year 2023 as allowed by GASB Statement No. 68.

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, 2022 and 2021 measurement dates, respectively. At June 30, 2023 and 2022, the State's proportion of the net pension liability attributable to Charter School was 0.0151886998% and 0.0148567095%, respectively.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 9 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

ii. Teachers Pension and Annuity Fund (TPAF)- Continued

Actuarial Assumptions. The total pension liability for the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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	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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022 measurement date) 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

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

NOTE 9 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

ii. Teachers Pension and Annuity Fund (TPAF) - Continued

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, 2022 measurement date, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equipments	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	

Discount rate. The discount rate used to measure the total pension liability was 7.0% June 30, 2022 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 will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 9 PENSION PLANS - CONTINUED

E. GASB 68 Disclosures - Continued

ii. Teachers Pension and Annuity Fund (TPAF) - continued

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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's proportionate share of the net pension liability attributable to the Charter School	\$ 9,203,121	\$ 7,836,521	\$ 6,708,326

NOTE 10 POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 10 POST-RETIREMENT BENEFITS - CONTINUED

General Information about the OPEB Plan - continued

State Health Benefit State Retired Employees Plan - continued

benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State’s contribution to fund increases in prescription drugs and medical claims 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 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021.

Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.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 10 POST-RETIREMENT BENEFITS – CONTINUED

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial valuation 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:

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
	2.75% to 4.25%	2.75% to 4.25%	2.75% to 4.25%
Salary increases:	Based on years of service	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-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. 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-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

(a) Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially is 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 10 POST-RETIREMENT BENEFITS – CONTINUED

(b) Discount rate

The discount rate for used for June 30, 2022 measurement dates was 3.54%. 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 6/30/21 Measurement date	\$	2,961,417
Changes for the year		
Service cost		572,385
Interest		70,572
Changes of benefit terms		-
Changes in assumptions		(714,374)
Difference between expected and actual experience		(159,337)
Benefit payments		(69,904)
Contributions from the member		2,243
Net Change		<u>(298,415)</u>
Balance at 6/30/22 Measurement date	\$	<u>2,663,002</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 (1.16%)</u>	<u>Current Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the Charter School retirees	\$ 3,130,079	\$ 2,663,002	\$ 2,288,663

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 10 POST-RETIREMENT BENEFITS - CONTINUED

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:

	<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	\$ 2,201,134	\$ 2,663,002	\$ 3,269,694

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

For the year ended June 30, 2023, the Charter School recognize OPEB revenue and expense of \$737,668 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, 2023, 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	\$ 460,898	\$ 906,340
Differences between expected and actual experience	475,451	813,045
Changes in proportion	1,285,367	-
	<u>\$ 2,221,716</u>	<u>\$ 1,719,385</u>

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 10 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
2024	\$ 109,919
2025	109,919
2026	109,919
2027	109,919
2028	104,091
Thereafter	(41,436)

NOTE 11 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 12 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 Annual Comprehensive 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 13 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, 2023, the interfund balances consisted of the following components:

	<u>Receivables (Payables)</u>		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Fund</u>
General fund	\$ 638,162	\$ (638,162)	\$ -
GASB No 34 mandated eliminations within governmental activities	<u>(638,162)</u>	<u>638,162</u>	<u>-</u>
Net interfund balances reported as follows: Entity-wide (eliminated in total column)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 14 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, 2023, resulting from a review by a responsible government agency will not have a material effect on the Charter School financial statements at June 30, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 4,603,288	\$ (800)	\$ 4,602,488	\$ 4,602,488	\$ -
Miscellaneous	-	-	-	51,193	51,193
Total - local sources	<u>4,603,288</u>	<u>(800)</u>	<u>4,602,488</u>	<u>4,653,681</u>	<u>51,193</u>
State sources:					
Categorical special education aid	47,286	-	47,286	47,286	-
Equalization aid	1,735,505	800	1,736,305	1,736,305	-
Categorical security aid	110,096	-	110,096	110,096	-
On-Behalf T.P.A.F. pension contributions - normal cost (non-budgeted)	-	-	-	655,361	655,361
On-Behalf T.P.A.F. pension contributions - post-retirement Medical (non-budgeted)	-	-	-	172,162	172,162
On-Behalf T.P.A.F. pension contributions - long-term disability insurance (non-budgeted)	-	-	-	590	590
Reimbursed T.P.A.F. social security contributions (non-budgeted)	129,227	-	129,227	84,454	(44,773)
Total - state sources	<u>2,022,114</u>	<u>800</u>	<u>2,022,914</u>	<u>2,806,254</u>	<u>783,340</u>
Total revenues	<u>6,625,402</u>	<u>-</u>	<u>6,625,402</u>	<u>7,459,935</u>	<u>834,533</u>
Expenditures					
Current expense:					
Regular Programs - Instruction:					
Kindergarten	813,765	(18,000)	795,765	764,830	30,935
Grade 1-5	600,470	(349,500)	250,970	249,361	1,609
Grade 6-8	233,630	-	233,630	233,630	-
Regular Programs - Undistributed instruction:					
Other salaries for instruction	256,938	44,920	301,858	282,858	19,000
Purchased professional - educational services	76,000	263,300	339,300	308,056	31,244
Other purchased services (400-500 Series)	35,000	2,379	37,379	26,752	10,627
General supplies	41,000	5,000	46,000	25,643	20,357
Textbooks	60,000	6,431	66,431	60,220	6,211
Other objects	6,000	5,569	11,569	11,569	-
Total Regular Programs - Instruction	<u>2,122,803</u>	<u>(39,901)</u>	<u>2,082,902</u>	<u>1,962,919</u>	<u>119,983</u>
Special Education - Instruction:					
Cognitive - mild:					
Salaries of teachers	141,280	-	141,280	79,732	61,548
Total Instruction	<u>2,264,083</u>	<u>(39,901)</u>	<u>2,224,182</u>	<u>2,042,651</u>	<u>181,531</u>
Undistributed Expenditures - Health Services:					
Purchased professional and technical services	60,000	15,000	75,000	72,388	2,612
Supplies and materials	6,000	-	6,000	3,464	2,536
Total Undistributed Expenditures - Health services	<u>66,000</u>	<u>15,000</u>	<u>81,000</u>	<u>75,852</u>	<u>5,148</u>
Undistributed Expenditures - Speech, OT, PT and related services:					
Purchased professional - educational services	60,000	(17,245)	42,755	2,338	40,417
Undistributed Expenditures - Child Study Team:					
Salaries of other professional staff	72,090	-	72,090	72,090	-
Purchased professional - educational services	19,000	-	19,000	4,000	15,000
Total Undistributed Expenditures - Child study team	<u>91,090</u>	<u>-</u>	<u>91,090</u>	<u>76,090</u>	<u>15,000</u>
Undistributed Expenditures - Support Services - General Administration:					
Salaries	599,413	10,100	609,513	609,434	79
Legal services	26,000	30,000	56,000	26,747	29,253
Audit fees	20,000	18,500	38,500	38,500	-
Other purchased professional services	232,800	(20,000)	212,800	211,438	1,362
Communications / telephone	84,600	34,900	119,500	109,317	10,183
Miscellaneous purchased services (400-500)	53,220	(28,000)	25,220	25,210	10
General supplies	14,500	10,000	24,500	21,330	3,170
Miscellaneous expenditures	10,000	29,816	39,816	31,832	7,984
Total Undistributed Expenditures - Support services - General Administration	<u>1,040,533</u>	<u>85,316</u>	<u>1,125,849</u>	<u>1,073,808</u>	<u>52,041</u>

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Support services - School Administration:					
Salaries of other professional staff	146,000	81,580	227,580	213,808	13,772
Undistributed Expenditures - Central services:					
Interest on current loans	60,000	(29,187)	30,813	22,206	8,607
Undistributed Expenditures - Custodial Services:					
Salaries	12,000	-	12,000	-	12,000
Purchased professional and technical services	235,250	32,245	267,495	267,160	335
Rental of land & bldg. oth. than lease pur agrmt	32,416	-	32,416	32,416	-
Insurance	100,000	(39,823)	60,177	58,683	-
General supplies	-	27,500	27,500	25,597	1,903
Energy (electricity)	-	22,364	22,364	19,149	3,215
Other objects	5,000	5,000	10,000	5,240	4,760
Total Undistributed expenditures - Custodial services	384,666	47,286	431,952	408,245	22,213
Undistributed Expenditures - Student Transportation Services:					
Contracted services - (Other than between home and school) - vendors	15,000	(5,000)	10,000	3,513	6,487
Unallocated Benefits - Employee Benefits					
Social security contributions	121,974	67,504	189,478	95,412	94,066
Other retirement contributions - PERS	120,000	3,766	123,766	123,766	-
Unemployment compensation	61,295	(13,000)	48,295	35,619	12,676
Workmen's compensation	75,000	(34,766)	40,234	39,517	717
Health benefits	550,000	(164,703)	385,297	385,297	-
Total Unallocated benefits - Employee Benefits	928,269	(141,199)	787,070	679,611	107,459
On-behalf T.P.A.F. pension contributions - normal cost (non-budgeted)	-	-	-	655,361	(655,361)
On-behalf T.P.A.F. pension contributions - post retirement medical (non-budgeted)	-	-	-	172,162	(172,162)
On-behalf T.P.A.F. pension contributions - long-term disability insurance (non-budgeted)	-	-	-	590	(590)
Reimbursed T.P.A.F. social security contributions (non-budgeted)	-	-	-	84,454	(84,454)
Total On-behalf contributions	-	-	-	912,567	(912,567)
Total Personal Services - Employee Benefits	928,269	(141,199)	787,070	1,592,178	(805,108)
Total Undistributed Expenditures	2,791,558	36,551	2,828,109	3,468,038	(641,423)
Total General Current Expense	5,055,641	(3,350)	5,052,291	5,510,689	(459,892)
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
Instruction	-	94,830	94,830	92,366	2,464
Non-instruction services	-	16,000	16,000	-	16,000
Total Equipment	-	110,830	110,830	92,366	18,464
Facilities Acquisition and Construction Services:					
Land/land improvement	427,650	(57,580)	370,070	366,620	3,450
Total Capital Outlay	427,650	53,250	480,900	458,986	21,914
Total Expenditures	5,483,291	49,900	5,533,191	5,969,675	(437,978)

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	1,142,111	(49,900)	1,092,211	1,490,260	1,272,511
Other financing sources (uses):					
Operating transfers out - Food Program	-	(17,496)	(17,496)	(17,496)	-
Principal payments for loans payable	(789,343)	-	(789,343)	(789,343)	-
Principal payments of leases	(661,711)	67,396	(594,315)	(570,855)	(23,460)
Interest payments of leases	(20,137)	-	(20,137)	(20,137)	-
Total other financing sources (uses)	(1,471,191)	49,900	(1,421,291)	(1,397,831)	(23,460)
Excess (deficiency) of revenues over expenditures	(329,080)	-	(329,080)	92,429	1,249,051
Fund balances at beginning of year	2,278,675	-	2,278,675	2,278,675	-
Fund balances at end of year	\$ 1,949,595	\$ -	\$ 1,949,595	\$ 2,371,104	\$ 1,249,051
Recapitulation:					
Assigned:					
Year-End Encumbrances				\$ -	
Designated for Subsequent Year's Expenditures				-	
Unassigned				2,371,104	
Reconciliation to Governmental Funds Statements (GAAP):					
Fiscal Year 2022 Last State Aid Payments not Recognized on GAAP Basis				-	
Fund Balance per Governmental Funds (GAAP)				\$ 2,371,104	

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

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local	\$ 25,000	\$ -	\$ 25,000	\$ 28,578	\$ 3,578
State	86,150	-	86,150	32,510	(53,640)
Federal	2,448,709	69,344	2,518,053	752,598	(1,765,455)
Total revenues - all sources	<u>2,559,859</u>	<u>69,344</u>	<u>2,629,203</u>	<u>813,686</u>	<u>(1,815,517)</u>
Expenditures					
Current Expenditures:					
Instruction:					
Salaries of teachers	1,160,507	-	1,160,507	278,390	882,117
Purchased professional and technical services	347,440	-	347,440	145,313	202,127
Supplies and materials	151,514	-	151,514	79,303	72,211
Miscellaneous	20,000	-	20,000	12,647	7,353
Total instruction	<u>1,679,461</u>	<u>-</u>	<u>1,679,461</u>	<u>515,653</u>	<u>1,163,808</u>
Support services					
Salaries of supervisors of instruction	40,000	-	40,000	4,860	35,140
Employee benefits	353,966	-	353,966	24,418	329,548
Professional technical services	438,877	69,344	508,221	230,935	277,286
Supplies	7,555	-	7,555	5,615	1,940
Student activities	25,000	-	25,000	28,747	(3,747)
Other Objects	15,000	-	15,000	3,627	11,373
Total support services	<u>880,398</u>	<u>69,344</u>	<u>949,742</u>	<u>298,202</u>	<u>651,540</u>
Total expenditures	<u>2,559,859</u>	<u>69,344</u>	<u>2,629,203</u>	<u>813,855</u>	<u>1,815,348</u>
Excess (deficiency) of revenues over expenditures	-	-	-	(169)	(169)
Fund balance at beginning of year	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (169)</u>	<u>\$ (169)</u>
Recapitulation:					
Restricted:					
Student activities				\$ (169)	
Fund balance at end of year				<u>\$ (169)</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PART II

**JERSEY CITY GLOBAL CHARTER SCHOOL
JUNE 30, 2023**

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

YEAR ENDED JUNE 30, 2023

**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]	\$ 7,459,935	[C-2]	\$ 813,686
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		<u>-</u>		<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>7,459,935</u>	[B-2]	<u>813,686</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	7,367,506	[C-2]	813,855
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		<u>-</u>		<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 7,367,506</u>	[B-2]	<u>\$ 813,855</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,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Charter School's proportion of the net pension liability (asset)	0.0098145350%	0.0061291099%	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)	\$ 1,481,148	\$ 726,085	\$ 906,279	\$ 597,124	\$ 846,726	\$ 660,967	\$ 664,563	\$ -	\$ -
Charter School's covered-employee payroll	\$ 1,338,803	\$ 1,137,827	\$ 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	110.63%	63.81%	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	62.91%	70.33%	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,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 123,766	\$ 71,779	\$ 60,796	\$ 32,235	\$ 42,775	\$ 26,304	\$ 19,934	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>(123,766)</u>	<u>(71,779)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
Charter School's covered-employee payroll	\$ 1,338,803	\$ 1,137,827	\$ 738,298	\$ 738,298	\$ 564,726	\$ 219,334	\$ 542,257	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	9.24%	6.31%	8.23%	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,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
State's proportionate share of the net pension liability (asset) attributable to Charter School	0.0151886998%	0.0148567095%	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	\$ 7,836,521	\$ 7,142,391	\$ 9,889,408	\$ 8,075,743	\$ 6,461,883	\$ 1,480,092	\$ -	\$ -	\$ -
Charter School's covered-employee payroll	\$ 1,559,605	\$ 2,072,274	\$ 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	502.47%	344.66%	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	32.29%	35.52%	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, 2023**

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 did not change at 7.00%.

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 did not change at 7.00%.

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 2.16% to 3.54% 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)**

NAME OF CHARTER SCHOOL
(COUNTY OF ESSEX, 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,					
	2023	2022	2021	2020	2019	2018
Charter School's proportion of the Total OPEB Liability (Asset)	0.0052580217%	0%	0%	0%	0%	0%
Charter School's proportionate share of the Total OPEB Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the Total OPEB Liability (Asset) associated with the Charter School	\$ 2,663,002	\$ 2,961,417	\$ 3,233,288	\$ 1,564,076	\$ 1,303,382	\$ 1,125,133
Charter School Covered-employee payroll ⁽²⁾	\$ 2,898,408	\$ 2,898,408	\$ 2,797,412	\$ 2,571,461	\$ 2,319,714	\$ 1,771,903
Charter School's proportionate share of the Total OPEB Liability (Asset) as a percentage of its covered-employee payroll	0%	0%	0%	0%	0%	0%
Plan fiduciary net position as a percentage of the total OPEB Liability	0%	0%	0%	0%	0%	0%
Total State OPEB Liability Attributable to Charter School						
Service cost	\$ 572,385	\$ 712,149	\$ 388,926	\$ 309,281	\$ 285,452	\$ 345,222
Interest	70,572	76,822	67,408	61,517	49,902	38,028
Change of benefit terms	-	(3,152)	-	-	-	-
Difference between expected and actual experience	(159,337)	(1,002,062)	676,850	(86,836)	26,112	-
Changes in assumptions and other inputs	(714,374)	2,922	590,611	23,321	(149,570)	(234,573)
Benefit payments	(69,904)	(60,514)	(56,289)	(48,012)	(34,852)	(26,060)
Contributions from the member	2,243	1,964	1,706	1,423	1,205	960
Net Change in Total State OPEB Liability Attributable to Charter School	(298,415)	(271,871)	1,669,212	260,694	178,249	123,577
Total State OPEB Liability Attributable to Charter School:						
At beginning of year	\$ 2,961,417	\$ 3,233,288	\$ 1,564,076	\$ 1,303,382	\$ 1,125,133	\$ 1,001,556
At end of year	\$ 2,663,002	\$ 2,961,417	\$ 3,233,288	\$ 1,564,076	\$ 1,303,382	\$ 1,125,133
Total State OPEB liability as a percentage of Charter School covered-employee payroll	91.88%	102.17%	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 year ended June 30.

Source: GASB 75 report on State of New Jersey State Health Benefits Program; Charter School records.

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, 2023

	Every Student Succeeds Act (E.S.S.A.)	I.D.E.A				COVID-19 Grants						Total		
	Title I, Part A	Title II, Part A	American Rescue Plan - IDEA Basic	Part B, Basic	Preschool	CRRSA Act-ESSER II Grant Program	ESSER II - Learning Acceleration Grant	ESSER II - Mental Health	ARP ESSER Subgrant - NJTSS Mental Health Support Staffing Grant	ARP ESSER Grant Program	SDA Emergent Needs and Capital Maintenance in School Districts		Preschool and Charter School Security Compliance Grant	Student Activities
Revenues														
Federal	\$ 272,832	\$ 3,550	\$ 10,321	\$ 99,880	\$ 455	\$ 192,368	\$ 5,615	\$ 33,753	\$ 5,232	\$ 128,592	\$ -	\$ -	\$ -	\$ 752,598
State	-	-	-	-	-	-	-	-	-	-	14,830	17,680	-	32,510
Local	-	-	-	-	-	-	-	-	-	-	-	-	28,578	28,578
Total revenues - all sources	<u>272,832</u>	<u>3,550</u>	<u>10,321</u>	<u>99,880</u>	<u>455</u>	<u>192,368</u>	<u>5,615</u>	<u>33,753</u>	<u>5,232</u>	<u>128,592</u>	<u>14,830</u>	<u>17,680</u>	<u>28,578</u>	<u>813,686</u>
Expenditures														
Instruction:														
Salaries of teachers	\$ 179,377	\$ -	\$ -	\$ -	\$ -	\$ 99,013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,390
Purchased professional and technical services	-	-	-	-	-	47,440	-	-	-	97,873	-	-	-	145,313
Instructional Supplies	63,459	-	10,321	-	455	-	-	-	-	5,068	-	-	-	79,303
Other objects	12,647	-	-	-	-	-	-	-	-	-	-	-	-	12,647
Total instruction	<u>255,483</u>	<u>-</u>	<u>10,321</u>	<u>-</u>	<u>455</u>	<u>146,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,941</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,653</u>
Support services														
Salaries - Support	-	-	-	-	-	-	-	-	4,860	-	-	-	-	4,860
Employee benefits	13,722	-	-	-	-	7,574	-	2,750	372	-	-	-	-	24,418
Professional technical services	-	3,550	-	99,880	-	38,341	-	31,003	-	25,651	14,830	17,680	-	230,935
Supplies and materials	-	-	-	-	-	-	5,615	-	-	-	-	-	-	5,615
Student activities	-	-	-	-	-	-	-	-	-	-	-	-	28,747	28,747
Other Objects	3,627	-	-	-	-	-	-	-	-	-	-	-	-	3,627
Total support services	<u>17,349</u>	<u>3,550</u>	<u>-</u>	<u>99,880</u>	<u>-</u>	<u>45,915</u>	<u>5,615</u>	<u>33,753</u>	<u>5,232</u>	<u>25,651</u>	<u>14,830</u>	<u>17,680</u>	<u>28,747</u>	<u>298,202</u>
Total expenditures	<u>272,832</u>	<u>3,550</u>	<u>10,321</u>	<u>99,880</u>	<u>455</u>	<u>192,368</u>	<u>5,615</u>	<u>33,753</u>	<u>5,232</u>	<u>128,592</u>	<u>14,830</u>	<u>17,680</u>	<u>28,747</u>	<u>813,855</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-	-	-	(169)	(169)
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	<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>\$ (169)</u>	<u>\$ (169)</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, 2023

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended at June 30, 2023
			Prior Years	Current Year	
Leasehold improvements (Construction for School Annex)	1/13/2020	\$ 2,233,162	\$ 1,866,542	\$ 366,620	\$ -

**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, 2023**

Revenues and Other Financing Sources

Proceeds from loan	\$ -
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Expenditures:

Construction services	<u>366,620</u>
Total expenditures	366,620

Other Financing Uses:

Payment of principal and interests	<u>1,199,019</u>
Total expenditures	1,199,019

Excess of expenditures over revenues	<u><u>\$ (1,565,639)</u></u>
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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, 2023

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	\$ 4,267	\$ -	\$ 4,267
Accounts receivables:			
Federal	5,247	-	5,247
State	158	-	158
	<u>5,405</u>	<u>-</u>	<u>5,405</u>
Total current assets	<u>9,672</u>	<u>-</u>	<u>9,672</u>
Capital assets:			
Machinery and equipment, net	4,152	-	4,152
Less: Accumulated depreciation	<u>(3,182)</u>	<u>-</u>	<u>(3,182)</u>
Net capital assets	<u>970</u>	<u>-</u>	<u>970</u>
Total Assets	<u>\$ 10,642</u>	<u>\$ -</u>	<u>\$ 10,642</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 774	\$ -	\$ 774
Interfund payable (internal)	<u>21,871</u>	<u>(21,871)</u>	<u>-</u>
Total current liabilities	<u>22,645</u>	<u>(21,871)</u>	<u>774</u>
Net assets			
Unrestricted	<u>(12,003)</u>	<u>21,871</u>	<u>9,868</u>
Total Liabilities and Net Position	<u>\$ 10,642</u>	<u>\$ -</u>	<u>\$ 10,642</u>

**JERSEY CITY GLOBAL CHARTER SCHOOL
JUNE 30, 2023**

ENTERPRISE FUND

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

YEAR ENDED JUNE 30, 2023

	<u>FOOD SERVICE</u>	<u>AFTER CARE</u>	<u>TOTAL</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 25,279	\$ -	\$ 25,279
After School fees	-	133,726	133,726
Miscellaneous revenue	<u>670</u>	<u>-</u>	<u>670</u>
Total Operating revenues	<u>25,949</u>	<u>133,726</u>	<u>159,675</u>
Operating expenses:			
Salaries	-	99,415	99,415
Supplies and materials - reimbursable programs	191,652	-	191,652
Depreciation	830	-	830
Miscellaneous	<u>907</u>	<u>-</u>	<u>907</u>
Total operating expenses	<u>193,389</u>	<u>99,415</u>	<u>292,804</u>
Operating income (loss)	<u>(167,440)</u>	<u>34,311</u>	<u>(133,129)</u>
Nonoperating revenues:			
State sources:			
State School Lunch	2,499	-	2,499
Federal sources:			
National School Lunch	66,812	-	66,812
National School Breakfast	12,284	-	12,284
Supply Chain Assistance Funding	<u>34,989</u>	<u>-</u>	<u>34,989</u>
Total nonoperating revenues	<u>116,584</u>	<u>-</u>	<u>116,584</u>
Income (loss) before transfers	(50,856)	34,311	(16,545)
Transfers in - General fund	<u>17,496</u>	<u>-</u>	<u>17,496</u>
Changes in net position	(33,360)	34,311	951
Total net position at beginning of year	<u>21,357</u>	<u>(12,440)</u>	<u>8,917</u>
Total net position at end of year	<u>\$ (12,003)</u>	<u>\$ 21,871</u>	<u>\$ 9,868</u>

**JERSEY CITY GLOBAL CHARTER SCHOOL
JUNE 30, 2023**

ENTERPRISE FUND

COMBINING SCHEDULE OF CASH FLOWS

YEAR ENDED JUNE 30, 2023

	<u>FOOD SERVICE</u>	<u>AFTER CARE</u>	<u>TOTAL</u>
Cash flows from operating activities			
Operating (loss) income	\$ (167,440)	\$ 34,311	\$ (133,129)
Adjustment to reconcile operating income to net cash from operating activities			
Depreciation expense	830	-	830
Changes in assets and liabilities:			
Accounts receivable	15,051	-	15,051
Accounts payable	774	-	774
Interfund payable - General fund	(37,065)	-	(37,065)
Interfund payable (internal)	<u>34,311</u>	<u>(34,311)</u>	<u>-</u>
Net cash from operating activities	(153,539)	-	(153,539)
Cash flows from noncapital financing activities			
Cash received from state and federal reimbursements	116,584	-	116,584
Transfer in - General Fund	<u>17,496</u>	<u>-</u>	<u>17,496</u>
Net cash from noncapital financing activities	134,080	-	134,080
Net decrease in cash and cash equivalents	(19,459)	-	(19,459)
Cash and cash equivalents at beginning of the year	<u>23,726</u>	<u>-</u>	<u>23,726</u>
Cash and cash equivalents at end of year	<u>\$ 4,267</u>	<u>\$ -</u>	<u>\$ 4,267</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, 2023 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, 2023 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 leases, subscription liabilities, 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
(COUNTY OF HUDSON, NEW JERSEY)

EXHIBIT I-2

LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LEASES
YEAR ENDED JUNE 30, 2023

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Term of Lease</u>	<u>Amount of Original Lease</u>		<u>Interest Rate</u>	<u>Balance at 6/30/2022</u>	<u>Issued Current year</u>	<u>Retired Current Year</u>	<u>Balance at 6/30/2023</u>
			<u>Principal</u>	<u>Interest</u>					
School Building	7/1/2013	10 years	\$ 3,561,244	\$ 993,552	4.50%	\$ 550,210	\$ -	\$ 550,210	\$ -
School Cafeteria	1/1/2020	7 years	170,488	41,818	5.75%	125,348	-	20,645	104,703
						<u>\$ 675,558</u>	<u>\$ -</u>	<u>\$ 570,855</u>	<u>\$ 104,703</u>

JERSEY CITY GLOBAL CHARTER SCHOOL
JUNE 30, 2023

LONG-TERM DEBT
CONSTRUCTION LOAN
YEAR ENDED JUNE 30, 2023

	<u>Amount of Original Issue</u>	<u>Balance June 30, 2022</u>	<u>Issued</u>	<u>Payment</u>	<u>Balance June 30, 2023</u>
Construction loan	\$ 1,199,019	\$ 1,199,019	\$ -	\$ (1,199,019)	\$ -

STATISTICAL SECTION (UNAUDITED)

Unless otherwise noted, the information in these Schedules is derived from the Annual Comprehensive Financial Reports (ACFR) 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.	87
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.	91
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.	93
Notes 1 Unless otherwise noted, the information in these schedules are derived from the annual comprehensive financial reports (ACFR) 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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Invested in capital assets, net of related debt	\$ 2,270,181	\$ 689,160	\$ 932,754	\$ 1,547	\$ 33,564	\$ 45,044	\$ 64,435	\$ 15,822	\$ 23,734	\$ 31,646
Invested in right-of-use assets, net of related debt	(13,374)	(205,272)	356,199	-	-	-	-	-	-	-
Restricted	11,834	-	-	-	-	-	-	-	-	-
Unrestricted	1,557,725	1,944,233	899,743	997,480	194,657	152,262	206,304	192,554	137,138	52,810
Total governmental activities net position	\$ 2,530,093	\$ 2,428,121	\$ 2,188,696	\$ 999,027	\$ 228,221	\$ 197,306	\$ 270,739	\$ 208,376	\$ 160,872	\$ 84,456
Business-type activities										
Invested in capital assets, net of related debt	\$ 970	\$ 1,800	\$ 2,630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	8,898	7,117	18,826	25,194	38,724	-	-	-	-	-
Total business-type activities net position	\$ (24,936)	\$ 8,917	\$ 21,456	\$ 25,194	\$ 38,724	\$ -	\$ -	\$ -	\$ -	\$ -
Charter School-wide										
Invested in capital assets, net of related debt	\$ 2,271,151	\$ 690,960	\$ 932,754	\$ 1,547	\$ 33,564	\$ 45,044	\$ 64,435	\$ 15,822	\$ 23,734	\$ 31,646
Invested in right-of-use assets, net of related debt	(13,374)	(205,272)	356,199	-	-	-	-	-	-	-
Restricted	11,834	-	-	-	-	-	-	-	-	-
Unrestricted	1,566,623	1,951,350	921,199	1,022,674	233,381	152,262	206,304	192,554	137,138	52,810
Total Charter School-wide net position	\$ 3,836,234	\$ 2,437,038	\$ 2,210,152	\$ 1,024,221	\$ 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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities										
Instruction	\$ 3,806,819	\$ 4,212,036	\$ 4,865,473	\$ 3,470,391	\$ 2,880,168	\$ 2,818,644	\$ 2,204,553	\$ 1,725,230	\$ 1,101,165	\$ 994,840
Administrative	1,948,063	1,336,216	1,210,767	1,072,617	887,104	1,053,822	851,197	722,730	667,925	511,025
Support Services	940,267	719,243	1,087,410	1,171,174	1,067,447	906,760	869,022	692,284	676,985	457,977
Unallocated										
Capital Outlay	51,354	31,966	70,367	17,768	2,714	2,380	22,439	-	58,600	57,286
Depreciation	25,630	17,681	11,605	11,480	11,480	19,392	8,788	7,912	-	-
Amortization of right-of-use assets	378,957	378,957	-	-	-	-	-	-	-	-
Total governmental activities expenses	<u>7,151,090</u>	<u>6,696,099</u>	<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	193,389	232,671	23,561	92,167	44,882	-	-	23,070	-	-
After care	99,415	109,370	-	74,092	-	-	74,092	23,070	-	-
Total business-type activities expense	<u>292,804</u>	<u>342,041</u>	<u>23,561</u>	<u>166,259</u>	<u>-</u>	<u>-</u>	<u>74,092</u>	<u>23,070</u>	<u>-</u>	<u>-</u>
Total charter school-wide expenses	<u>7,443,894</u>	<u>7,038,140</u>	<u>7,269,183</u>	<u>5,909,689</u>	<u>4,848,913</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	28,578	21,005	3,620	-	-	-	-	-	-	-
Operating grants and contributions	1,990,885	1,785,925	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>2,019,463</u>	<u>1,806,930</u>	<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	25,949	2,095	770	28,239	33,514	-	-	23,070	-	-
After care	133,726	95,670	-	70,142	-	-	-	-	-	-
Operating grants and contributions	116,584	231,737	15,593	57,557	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>276,259</u>	<u>329,502</u>	<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 charter school-wide program revenues	<u>2,295,722</u>	<u>2,136,432</u>	<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	(5,131,627)	(4,889,169)	(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	(16,545)	(12,539)	(7,198)	(10,321)	(11,368)	-	(74,092)	-	-	-
Total charter school-wide net revenue (expense)	<u>(5,148,172)</u>	<u>(4,901,708)</u>	<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	4,602,488	3,282,055	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	1,893,687	2,516,663	4,273,132	3,305,701	2,900,932	2,535,162	2,327,960	1,830,571	311,540	438,979
Miscellaneous income	51,193	42,274	43,206	37,268	49,094	86,401	57,733	6,641	31,204	129,861
Transfers	(17,496)	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>6,529,872</u>	<u>5,840,992</u>	<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>
Business-type activities:										
Transfers	17,496	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>17,496</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charter school-wide general revenue and other changes	<u>6,547,368</u>	<u>5,840,992</u>	<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	1,398,245	951,823	826,316	763,029	30,915	(73,433)	87,264	22,603	76,416	84,456
Business-type activities	951	(12,539)	(7,198)	(10,321)	(11,368)	-	(74,092)	-	-	-
Total charter school-wide changes in net position	<u>\$ 1,399,196</u>	<u>\$ 939,284</u>	<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)

	2023	2022	2021	2020	Fiscal Year Ended June 30,		2017	2016	2015	2014
					2019	2018				
General Fund										
Assigned	\$ -	\$ -	\$ 218,439	\$ 1,145,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	2,371,104	2,278,672	1,389,216	381,707	609,669	400,873	329,835	167,653	137,138	52,810
Total general fund	<u>2,371,104</u>	<u>2,278,672</u>	<u>1,607,655</u>	<u>1,527,293</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>
All Other Governmental Funds										
Restricted for student activities	(169)	-	-	#REF!	-	-	-	-	-	-
Total all other governmental funds	<u>\$ (169)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>#REF!</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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Local Sources:										
Local tax levy	\$ 4,602,488	\$ 3,282,055	\$ 1,622,115	\$ 1,713,838	\$ 1,207,157	\$ 1,085,711	\$ 1,048,691	\$ 935,173	\$ 621,819	\$ 408,125
Miscellaneous	79,771	63,279	46,826	37,268	49,094	86,401	57,733	6,986	31,204	129,861
State sources	2,838,764	3,422,198	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	752,598	691,106	576,416	290,925	311,589	306,063	456,779	312,825	190,017	344,836
Total Revenues	<u>8,273,621</u>	<u>7,458,638</u>	<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	2,558,304	2,857,200	2,971,996	2,132,338	2,045,782	1,805,741	1,756,144	1,447,495	996,303	924,986
Administrative cost	1,989,433	1,605,857	1,429,829	1,276,639	1,214,640	1,254,740	1,094,478	943,370	775,296	572,967
Support services	864,240	628,299	1,030,277	1,031,677	996,839	879,437	798,519	664,175	666,564	457,977
Capital outlay	458,986	595,397	1,013,179	407,122	2,714	2,380	79,840	-	58,600	96,844
TPAF - FICA Reimbursement	84,454	122,705	144,569	148,802	136,744	126,883	106,767	85,204	-	-
TPAF - On-behalf payments	828,113	782,830	578,690	871	384,989	253,166	45,333	-	-	-
Total Expenditures	<u>6,783,530</u>	<u>6,592,288</u>	<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	1,490,091	866,350	73,208	499,956	208,797	71,039	162,182	30,515	84,328	52,810
Other financing sources(uses):										
Operating transfers out - Food Program	(17,496)	-	-	-	-	-	-	-	-	-
Proceeds from loans payable	-	789,343	-	409,891	-	-	-	-	-	-
Principal payment of loans payable	(789,343)	(409,676)	-	-	-	-	-	-	-	-
Interest payments on leases	(20,137)	(45,115)	-	-	-	-	-	-	-	-
Principal payments on leases	(570,855)	(529,885)	-	-	-	-	-	-	-	-
Total other financing sources(uses)	<u>(1,397,831)</u>	<u>(195,333)</u>	<u>-</u>	<u>409,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	\$ 92,260	\$ 671,017	\$ 73,208	\$ 909,847	\$ 208,797	\$ 71,039	\$ 162,182	\$ 30,515	\$ 84,328	\$ 52,810
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	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
2023	**	**	**	**
2022	286,670	**	**	3.70%
2021	283,927	\$ 20,455,804,642	\$ 72,046	7.00%
2020	262,664	18,828,280,848	71,682	10.40%
2019	262,729	17,752,598,530	67,570	3.50%
2018	264,041	17,186,428,690	65,090	4.10%
2017	263,311	15,945,587,538	60,558	4.70%
2016	260,463	14,788,813,872	56,597	4.80%
2015	260,214	14,227,200,450	54,675	5.30%
2014	258,663	13,208,884,758	51,066	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 2011-2020 reflect county population estimates available as of March 2021.

^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

Employer	2023		2018	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

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>2023</u>	<u>2022</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	29	47	47	39	34	30	30	29	18	11
Administrative	6	3	3	3	3	3	3	3	3	2
Support Services	5	5	5	5	5	5	5	5	2	1
Total	<u>40</u>	<u>55</u>	<u>55</u>	<u>47</u>	<u>42</u>	<u>38</u>	<u>38</u>	<u>37</u>	<u>23</u>	<u>14</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
2023	409	\$ 6,101,681	\$ 14,919	-2.16%	29.00	14.1:1	416.0	365.00	-3.57%	87.74%
2022	431	6,571,891	15,248	23.86%	47.00	9.2:1	431.4	398.43	-13.50%	92.36%
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	5.45%	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>2023</u>	<u>2022</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>
<u>Charter School Building</u>										
Square feet	50,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Capacity (students)	618	450	450	450	450	450	450	450	450	450
Enrollment	409	431	468	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, 2023

	<u>Coverage</u>	<u>Deductible</u>
PACKAGE^(a):		
Property		
Business Personal Property - 255 Congress Street	\$ 1,060,900	\$ 1,000
Improvements & Betterments - 246 Congress Street	1,637,700	1,000
Business Personal Property - 246 Congress Street	530,450	1,000
EDP/Computers - Replacement Cost	900,000	1,000
Business Income and Extra Expense	300,000	72 hours
Crime Coverage		
Blanket Employee Theft	250,000	1,000
Forgery or Alteration	250,000	1,000
Money Order and Counterfeit Money	250,000	1,000
Inside/Outside the Premise	250,000	1,000
Computer Fraud	250,000	1,000
Funds Transfer Fraud	250,000	1,000
General Liability		
Single Limit for Bodily Injury and Property Damage	1,000,000	
Bodily Injury and Property Damage Aggregate	3,000,000	
Each Occurrence for Personal Injury/Advertising Injury	1,000,000	
Damage to 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 Resulting from Crisis Event - each Crisis Event	50,000	
Public Relations Expense Resulting from Adverse Event - each Adverse Event	25,000	
Innocent Part Defense Coverage	300,000	
AUTOMOBILE LIABILITY^(a):		
Hired and Non Owned-Occurrence	1,000,000	
UMBRELLA^(a):		
Each Occurrence	1,000,000	10,000
Aggregate	1,000,000	10,000
WORKERS' COMPENSATION^(b):		
Each Accident	1,000,000	
Each Employee	1,000,000	
Policy Limit	1,000,000	
Statutory		
Based on School - Professional \$2,250,972		
School - Non-Professional \$60,900		
MOD - 0.799		

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

INSURANCE SCHEDULE

June 30, 2023

	<u>Coverage</u>	<u>Deductible</u>
CYBER LIABILITY^(c):		
Cyber Incident Response	1,000,000	2,500
Media Liability	1,000,000	2,500
Network Security and Privacy Liability	1,000,000	2,500
Court Attendance Costs	100,000	2,500
EDUCATORS MANAGEMENT & EMPLOYMENT PRACTICE LIABILITY^(d):		
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 - each crisis event	250,000	
STUDENT ACCIDENT^(e):		
Aggregate Limit of Identity	250,000	
Accidental Medical Expense Benefit - Aggregate Maximum	25,000	
Accidental Death and Dismemberment Benefits Principal Sum	10,000	

^(a) American Southern Home Insurance Co.

^(b) Selective Insurance Co.

^(c) CFC Underwriting Ltd.

^(d) Greenwich Insurance Co.

^(e) Markel 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

	2021 Audit	2022 Audit	2023 Audit	Source
Cash	\$ 1,475,072	\$ 2,505,837	\$ 1,848,432	Audit: Exhibit A-1
Current Assets (include cash)	1,946,370	3,094,748	3,101,805	Audit: Exhibit A-1
Current Liabilities	319,889	399,283	721,972	Audit: Exhibit A-1
Total Expenses	7,269,183	7,038,140	7,443,894	Audit: Exhibit A-2
Change in Net Position	819,118	939,284	1,399,196	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	499	431	409	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	500	541	513	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	11,605	17,681	25,630	Auditor/Workpapers
Interest Expense	26,561	27,413	22,206	Auditor/Workpapers
Principal Payments	-	-	-	Auditor/Workpapers
Interest Payments	-	-	-	Auditor/Workpapers

Performance Indicators	2021	2022	2023	3 YR CUM	Calculation****	Target****
Near Term Indicators						
1a. Current Ratio (working capital ratio)	6.08	7.75	4.30		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b. Unrestricted days cash on hand	74	130	91		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c. Enrollment Variance	100%	80%	80%	92%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.** Default on loans or delinquent in debt payment	NO	NO	NO		Auditor	not in default
Sustainability Indicators						
2a*** 3 Year Cumulative Cash Flow	\$ 43,512	\$ 1,030,765	\$ (657,405)	\$ 1,761,447	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b Debt Service Coverage Ratio	32.02	35.91	1.18		N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

* For renaissance schools: use Oct 15 count if no final count; use head count if ADE not available
 ** Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No
 *** 2022 =2022 Cash - 2021 Cash; 2021 =2021 Cash-2020 Cash; 2020 =2020 Cash-2019 Cash
 **** Refer to NJ Performance Framework

Meets Standard
 Does Not Meet Standard
 Falls Far Below Standard

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

To 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, 2023, 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 March 15, 2024.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that we have reported to the Board of Trustees of Jersey City Global Charter School in the County of Essex, New Jersey in a separate *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, dated March 15, 2024.

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, CFA
Public School Accountant
PSA No. 20CS00239400



Galleros Robinson CPAs, LLP
Certified Public Accountants

March 15, 2024
Cream Ridge, New Jersey



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

To 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 Federal and State Programs

Opinion on Each Major Federal and State Programs

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 *OMB Compliance Supplement* and the *New Jersey State Aid Grant Compliance Supplement* that could have a direct and material effect on each of the Charter School's major federal and state programs for the fiscal year ended June 30, 2023. The Charter School's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis of Opinion on Each Major Federal and State Programs

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; 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 Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance and the New Jersey OMB Circular Letter 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Charter School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Charter School's compliance with the compliance requirements referred to above.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR LETTER 15-08-CONTINUED

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statute, regulations, rules and provisions of contracts or grant agreements applicable to its federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Charter School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and the New Jersey OMB Circular Letter 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Charter School's compliance with the requirements of each major federal and state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and the New Jersey OMB Circular Letter 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Charter School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey OMB Circular Letter 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR LETTER 15-08-CONTINUED

Report on 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 federal and 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 federal and 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 federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance and the 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

March 15, 2024
Cream Ridge, New Jersey

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

Federal Grant/ Pass-Through Grantor/ Program Title	Federal ALN No.	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022	Carryover/ (Walkover) Amount	Cash Received	Adjustments/Repayment			Balance at June 30, 2023		
					From	To				Budgetary Expenditures	of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor	
Special Revenue Fund:															
U.S. Department of Education:															
Passed-through New Jersey State Department of Education															
Title I Part A Grants to Local Educational Agencies	84.010	S010A220030	ESEA - 6093 - 23	\$ 308,920	7/1/2022	9/30/2023	\$ -	\$ -	\$ 114,423	\$ (272,832)	\$ -	\$ (158,409)	\$ -	\$ -	
Title I Part A Grants to Local Educational Agencies	84.010	S010A210030	ESEA - 6093 - 22	273,123	7/1/2021	9/30/2022	(79,196)	-	79,196	-	-	-	-	-	
Subtotal Title I Part A Grants to Local Educational Agencies							(79,196)	-	193,619	(272,832)	-	(158,409)	-	-	
Special Education Cluster															
Individuals with Disabilities - States Grant (Basic	84.027A	H027A220100	IDEA - 6093 - 23	100,390	7/1/2022	9/30/2023	-	-	21,826	(99,880)	-	(78,054)	-	-	
Individuals with Disabilities - States Grant (Basic	84.027A	H027A210100	IDEA - 6093 - 22	87,971	7/1/2021	9/30/2022	(34,331)	-	34,331	-	-	-	-	-	
COVID-19 - American Rescue Plan (ARP) - IDEA Basic	84.027X	H027X220100	IDEA - 6093 - 23	10,321	7/1/2022	9/30/2023	-	-	-	(10,321)	-	(10,321)	-	-	
Preschool Grants for Children with Disabilities	84.173A	H173A220114	IDEA - 6093 - 23	455	7/1/2022	9/30/2023	-	-	-	(455)	-	(455)	-	-	
Preschool Grants for Children with Disabilities	84.173A	H173A210114	IDEA - 6093 - 22	1,103	7/1/2021	9/30/2022	(1,025)	-	1,025	-	-	-	-	-	
Subtotal Special Education Cluster							(35,356)	-	57,182	(110,656)	-	(88,830)	-	-	
Title II Part A Supporting Effective Instruction State Grant	84.367A	S367A220029	ESEA - 6093 - 23	27,337	7/1/2022	6/30/2023	-	-	-	(3,550)	-	(3,550)	-	-	
COVID-19 - Education Stabilization Fund															
COVID-19 - CRRSA ESSER II	84.425D	S425D210027	N/A	661,614	3/13/2020	9/30/2023	(126,051)	-	-	(192,368)	-	(318,419)	-	-	
COVID-19 - CRRSA ESSER II - Mental Health	84.425D	S425D210027	N/A	45,000	3/13/2020	9/30/2023	(11,247)	-	-	(33,753)	-	(45,000)	-	-	
COVID-19 - CRRSA ESSER II - Learning															
Acceleration Grant	84.425D	S425D210027	N/A	42,459	3/13/2020	9/30/2023	(16,477)	-	-	(5,615)	-	(22,092)	-	-	
COVID-19 - American Rescue Plan (ARP) - ESSER	84.425U	S425U210027	N/A	128,592	3/13/2020	9/30/2024	-	-	-	(128,592)	-	(128,592)	-	-	
COVID-19 - American Rescue Plan - ESSER Subgrants															
NJTSS Mental Health Suppor Staffing Grant	84.425U	S425U210027	N/A	5,232	3/13/2020	9/30/2024	-	-	-	(5,232)	-	(5,232)	-	-	
Subtotal COVID-19 - Education Stabilization Fund							(153,775)	-	-	(365,560)	-	(519,335)	-	-	
Total U.S. Department of Education							(268,327)	-	250,801	(752,598)	-	(770,124)	-	-	
U.S. Department of Agriculture															
Passed-through New Jersey State Department of Agriculture															
Enterprise Fund:															
Child Nutrition Program Cluster															
National School Breakfast Program	10.553	231NJ304N1099	N/A	12,284	7/1/2022	6/30/2023	-	-	11,412	(12,284)	-	(872)	-	-	
COVID-19 - National School Breakfast Program - SSO	10.553	221NJ304N1099	N/A	46,226	7/1/2021	6/30/2022	(5,402)	-	5,402	-	-	-	-	-	
National School Lunch Program	10.555	231NJ304N1099	N/A	66,812	7/1/2022	6/30/2023	-	-	62,437	(66,812)	-	(4,375)	-	-	
COVID-19 - National School Lunch Program - SSO	10.555	221NJ304N1099	N/A	164,800	7/1/2021	6/30/2022	(14,714)	-	14,714	-	-	-	-	-	
Supply Chain Assistance Funding	10.555	221NJ344N8903	N/A	34,989	7/1/2022	6/30/2023	-	-	34,989	(34,989)	-	-	-	-	
Subtotal Child Nutrition Program Cluster							(20,116)	-	128,954	(114,085)	-	(5,247)	-	-	
Total U.S. Department of Agriculture							(20,116)	-	128,954	(114,085)	-	(5,247)	-	-	
Total Expenditures of Federal Awards							\$ (288,443)	\$ -	\$ 379,755	\$ (866,683)	\$ -	\$ (775,371)	\$ -	\$ -	

JERSEY CITY GLOBAL CHARTER SCHOOL
(COUNTY OF HUDSON, NEW JERSEY)
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

EXHIBIT K-4
SCHEDULE B

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Cash Received	Budgetary Expenditures Funds	Adjustments/ Repayment Prior Year's Balances	Balance at June 30, 2023			MEMO	
				Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount				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	23-495-034-5120-078	7/1/22-6/30/23	\$ 1,736,305	\$ -	\$ -	\$ -	\$ 1,507,580	\$ (1,736,305)	\$ -	\$ (254,906)	\$ -	\$ 26,181	\$ 254,906	\$ 1,736,305
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	2,331,051	(96,835)	188,987	-	(80,415)	-	-	(50,641)	-	62,378	-	-
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	3,136,342	(78,171)	-	-	8,211	-	-	(69,960)	-	-	-	-
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	3,046,315	-	28,199	-	-	-	-	-	-	-	-	-
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	2,683,572	(31,083)	7	-	24,169	-	-	(6,894)	-	28,199	-	-
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	2,356,636	(7,193)	-	-	7,193	-	-	-	-	7	-	-
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	2,175,118	(12,442)	-	-	12,442	-	-	-	-	-	-	-
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	47,286	-	-	-	47,286	(47,286)	-	-	-	-	-	47,286
Categorical Security Aid	23-495-034-5120-084	7/1/22-6/30/23	110,096	(764)	-	-	109,612	(110,096)	-	(1,337)	-	89	1,337	110,096
Reimbursed Social Security Tax	23-495-034-5094-003	7/1/22-6/30/23	122,705	-	-	-	33,028	(84,454)	-	(51,426)	-	-	-	84,454
Reimbursed Social Security Tax	22-495-034-5094-003	7/1/21-6/30/22	122,705	(48,661)	-	-	48,661	-	-	-	-	-	-	-
On-Behalf Teachers' Pension and Annuity Fund	23-495-034-5094-002	7/1/22-6/30/23	655,361	-	-	-	655,361	(655,361)	-	-	-	-	-	655,361
On-Behalf-Teachers' Pension and Annuity Fund – Post-Retirement Medical	23-495-034-5094-001	7/1/22-6/30/23	172,162	-	-	-	172,162	(172,162)	-	-	-	-	-	172,162
On-Behalf- Teachers' Pension and Annuity Fund – Non-contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	590	-	-	-	590	(590)	-	-	-	-	-	590
Total General Fund				<u>(275,129)</u>	<u>217,193</u>	<u>-</u>	<u>2,545,880</u>	<u>(2,806,254)</u>	<u>-</u>	<u>(435,164)</u>	<u>-</u>	<u>116,854</u>	<u>256,243</u>	<u>2,806,254</u>
Special Revenue Fund:														
Preschool and Charter School Security Compliance Grant	N/A	7/1/22-6/30/23	17,680	-	-	-	-	(17,680)	-	(17,680)	-	-	-	-
Charter and Renaissance School Project Emergent and Capital Maintenance	N/A	7/1/21-6/30/23	84,183	<u>84,183</u>	-	-	<u>22,111</u>	<u>(14,830)</u>	-	-	<u>91,464</u>	-	-	-
Total Special Revenue Fund				<u>84,183</u>	<u>-</u>	<u>-</u>	<u>22,111</u>	<u>(32,510)</u>	<u>-</u>	<u>(17,680)</u>	<u>91,464</u>	<u>-</u>	<u>-</u>	<u>-</u>
Enterprise Fund:														
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	2,499	-	-	-	2,341	(2,499)	-	(158)	-	-	-	2,499
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	3,877	<u>(339)</u>	-	-	<u>339</u>	-	-	-	-	-	-	-
				<u>(339)</u>	<u>-</u>	<u>-</u>	<u>2,680</u>	<u>(2,499)</u>	<u>-</u>	<u>(158)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,499</u>
Total Expenditures of State Financial Assistance				<u>\$ (191,285)</u>	<u>\$ 217,193</u>	<u>\$ -</u>	<u>\$ 2,570,671</u>	<u>\$ (2,841,263)</u>	<u>\$ -</u>	<u>\$ (453,002)</u>	<u>\$ 91,464</u>	<u>\$ 116,854</u>	<u>\$ 256,243</u>	<u>\$ 2,808,753</u>
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf Teachers' Pension and Annuity Fund	23-495-034-5094-002							655,361						
On-Behalf-Teachers' Pension and Annuity Fund – Post-Retirement Medical	23-495-034-5094-001							172,162						
On-Behalf- Teachers' Pension and Annuity Fund – Non-contributory Insurance	23-495-034-5094-004							<u>590</u>						
								<u>828,113</u>						
Total for State Financial Assistance-Major Program Determination								<u>\$ (2,013,150)</u>						

**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, 2023

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 RELATIONSHIPS 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 RELATIONSHIPS TO BASIC FINANCIAL STATEMENTS - CONTINUED

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	1,978,141	\$ 1,978,141
Special Revenue Fund	752,598	32,510	785,108
Enterprise Fund	<u>114,085</u>	<u>2,499</u>	<u>116,584</u>
Total	<u>\$ 866,683</u>	<u>\$ 2,013,150</u>	<u>\$ 2,879,833</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 \$84,454 by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023. The State had also made on-behalf TPAF pension, post-retirement medical benefits and long-term disability insurance contributions totaling \$828,113.

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, 2023

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

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 2-CFR 200 section .516(a)? Yes No

Identification of Major Programs:

<u>Assistance Listing Number</u>	<u>FAIN</u>	<u>Name of Federal Program</u>
84.425		COVID-19 - Educational Stabilization Fund
84.425D	S425D210027	COVID-19 - CRRSA Act Elementary and Secondary School Emergency Relief Fund (ESSER) II
84.425D	S425D210027	COVID-19 - CRRSA Act ESSER II – Mental Health
84.425D	S425D210027	COVID-19 - CRRSA Act ESSER II – Learning Acceleration

**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>
	<i>State Aid Public Cluster</i>
23-495-034-5120-078	Equalization Aid
23-495-034-5120-084	Categorical Security Aid
23-495-034-5120-089	Special Education Categorical Aid

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

SECTION II – FINANCIAL STATEMENT FINDINGS

Internal Control over Financial Reporting

None noted.

Compliance and Other Matters

None noted.

SECTION III – FEDERAL AWARDS

None noted.

SECTION IV – STATE FINANCIAL ASSISTANCE

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, 2023

Finding 2022-001 Confirming Purchasing Order and Change Orders

Condition

During our claims testing, we noted a payment that the Board has approved on 5/3/2022 for \$315,450 representing a partial payment of a construction expense for a change order invoice in the amount of \$502,634, dated 4/6/2022, with a purchase order date of 5/3/2022. Further review of documentation of the related construction costs, we noted that the change orders of \$502,634 dated 4/6/2022 and \$27,300 dated 12/1/2021 are not board approved as required prior to change orders being incurred. No board resolutions were passed to document approval for both changed orders.

We also noted that the Charter School made attempts to obtain certified payrolls from the construction vendor but none was provided.

Status

No similar issue identified in fiscal year 2023.