

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2017

BARACK OBAMA GREEN CHARTER HIGH SCHOOL

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

***Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017***

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
BARACK OBAMA GREEN CHARTER HIGH SCHOOL
PLAINFIELD, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Prepared By

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

And

Barre & Company LLC, CPA's

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**BARACK OBAMA GREEN CHARTER HIGH SCHOOL
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BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Fund Balances - Governmental Funds
 Last Nine Fiscal Years
(modified accrual basis of accounting)
 Unaudited

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund							
Restricted	\$ 17,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	<u>1,291,052</u>	<u>944,908</u>	<u>1,142,309</u>	<u>922,677</u>	<u>811,674</u>	<u>659,841</u>	<u>306,747</u>
Total General Fund	<u>\$ 1,308,897</u>	<u>\$ 944,908</u>	<u>\$ 1,142,309</u>	<u>\$ 922,677</u>	<u>\$ 811,674</u>	<u>\$ 659,841</u>	<u>\$ 306,747</u>

Source: Comprehensive Annual Financial Report

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Changes in Fund Balances - Governmental Funds
 Last Nine Fiscal Years
(modified accrual basis of accounting)
 Unaudited

	2017	2016	2015	2014	2013	2012	2011
Revenues:							
Local Sources:	\$ 616,289	\$ 646,585	745,063	582,805	614,607	462,321	390,430
Intermediate Sources	-	-	-	-	-	-	-
State Sources	3,281,997	3,114,094	3,152,992	2,749,858	2,496,655	2,185,155	1,362,753
Federal Sources	386,000	344,253	149,119	127,239	191,348	188,443	108,554
Total Revenues	<u>4,284,286</u>	<u>4,104,932</u>	<u>4,047,174</u>	<u>3,459,902</u>	<u>3,302,610</u>	<u>2,835,919</u>	<u>1,861,737</u>
Expenditures:							
Instruction	1,640,811	1,710,198	1,544,212	1,245,438	1,239,494	1,017,267	616,972
Administration	1,541,414	1,726,472	1,123,746	1,176,785	1,015,726	793,206	492,602
Support Services	692,285	605,440	1,141,683	920,649	880,343	604,817	424,192
Capital Outlay	45,787	156,257	5,019	-	13,273	56,925	6,224
Total Expenditures	<u>3,920,297</u>	<u>4,198,367</u>	<u>3,814,660</u>	<u>3,342,872</u>	<u>3,148,836</u>	<u>2,472,215</u>	<u>1,539,990</u>
Net Change in Fund Balance	<u>\$ 363,989</u>	<u>\$ (93,435)</u>	<u>\$ 232,514</u>	<u>\$ 117,030</u>	<u>\$ 153,774</u>	<u>\$ 363,704</u>	<u>\$ 321,747</u>

Source: Comprehensive Annual Financial Report

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 General Fund - Other Local Revenue by Source
 Last Nine Fiscal Years
(modified accrual basis of accounting)
 Unaudited

Fiscal Year Ending June 30,	Interest	Miscellaneous Revenue	Total
2017	\$ -	\$ 25,165	\$ 25,165
2016		13,526	13,526
2015		-	-
2014		-	-
2013	-	-	-
2012	-		-
2011	-		-

Source: Charter School records

OPERATING INFORMATION

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

Function	2017	2016	2015	2014	2013	2012	2011
Instruction	22	22	22	22	22	22	13
Administrative	8	8	8	8	8	8	6
Support Services	2	2	23	2	2	2	2
Food Service	-	-	-	-	-	-	-
Total	32	32	53	32	32	32	21

Source: Charter School's Records

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil / Teacher Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percent Change in Average Daily Enrollment	Student Attendance Percentage
2017	235	\$ 3,874,510	\$ 16,629	1.91%	20	12:1	233.3	217	0.91%	93.01%
2016	233	3,801,821	16,317	-10.19%	20	12:1	231.2	227	1.63%	98.18%
2015	227	4,124,352	18,169	6.33%	20	12:1	227.5	223	12.01%	98.02%
2014	201	3,434,430	17,087	-4.81%	20	12:1	203.1	199	10.38%	97.98%
2013	179	3,213,066	17,950	23.61%	16	12:1	184	180	16.09%	97.84%
2012	163	2,366,918	14,521	6.15%	14	12:1	158.5	155	74.94%	97.79%
2011	112	1,532,101	13,679	N/A	11	11:1	90.6	89	N/A	98.23%

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 School Building Information
 Last Nine Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Charter School Building</u>							
<u>High School</u>							
35 Watchung Avenue, Plainfield, NJ							
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Capacity (students)	260	260	260	260	180	180	180
Total Enrollment	235	233	240	240	179	163	163

Source: Charter School Facilities Office

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Insurance Schedule
June 30, 2017

PACKAGE POLICY (NJSBAIG)	<u>Coverage</u>	<u>Deductible</u>
Property Section		
Building Limit(Loc 1)	\$ 17,768,040	
Building Limit(Loc 2)	6,161,890	
Building Limit(Loc 3)	1,729,000	
Contents Limit(Loc 1)	1,000,000	
Contents Limit(Loc 2)	60,000	
Contents Limit(Loc 3)	50,000	
Blanket Extra Expense	50,000,000	
Blanket Valuable Papers & Records	10,000,000	
Loss of Rents	200,000	
Loss of Business Income/Tuition	2,000,000	\$ 1,000
Flood Zones A&V	20,000,000	\$ 500,000
All Other Flood Zones	75,000,000	\$ 10,000
EQ per occ/annual	50,000,000	
EDP		
Blanket Hardware/Software	\$ 100,000	
Blanket Extra Expense	Included	
Transit	25,000	
Loss of Income	10,000	
Boiler & Machinery		
Property Damage & Extra Expense	\$ 100,000,000	\$ 1,000
Crime		
Public Employee Dishonesty	\$ 250,000	
Loss of Money & Securities	50,000	
Money Orders & Counterfeit	50,000	
Forgery or Alteration	250,000	
Computer Fraud	250,000	\$500 each coverage part
General Liability		
Each Occurrence	\$ 16,000,000	
Products/Completed Ops Annual Aggregate	16,000,000	
Sexual Abuse per Occurrence	16,000,000	
Sexual Abuse Annual Pool Aggregate	17,000,000	
Personal & Advertising Injury per Occurrence	16,000,000	
Personal & Advertising Injury Ann Aggregate	16,000,000	
Employment Benefits	16,000,000	\$ 1,000
Medical Payments	10,000	
Business Auto Section		
Hired & Non-Owned Auto Liability	\$ 16,000,000	
WORKERS COMPENSATION (NJSBAIG)		
Bodily Injury by Accident	\$ 2,000,000	each accident
Bodily Injury by Disease	2,000,000	each employee
Bodily Injury by Disease	2,000,000	aggregate limit
ERRORS & OMISSIONS LIABILITY (NJSBAIG)		
Coverage A:		
Limit of Liability Each Policy Period	\$ 16,000,000	\$ 5,000
Coverage B:		
Limit Each Claim	100,000	5,000
Limit Each Policy Period	300,000	
SUPPLEMENTAL INDEMNITY (NJSBAIG)		
Maximum Benefit Period	52 weeks	
Maximum Weekly Benefit	\$ 2,500	
STUDENT ACCIDENT INSURANCE (NJSBAIG)		
Full Excess - Basic Only	\$ 5,000,000	
Cat Cash	1,000,000	
BONDS (Selective)		
Christopher Lessard	\$ 125,000	
Monique Bonnier	215,000	
FF Group Catastrophe	\$ 50,000,000	

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

	2015	2016	2017	Source
	Audit	Audit	Audit	
Cash	913,787	755,649	1,104,610	Audit: Exhibit A-1
Current Assets (includes CASH)	1,294,084	1,138,708	1,457,384	Audit: Exhibit A-1
Total Assets	1,312,061	1,306,561	1,610,612	Audit: Exhibit A-1
Current Liabilities	138,478	176,950	115,396	Audit: Exhibit A-1
Total Liabilities	528,831	1,201,703	1,447,088	Audit: Exhibit A-1
Net Assets	0.00	868,323	735,181	Audit: Exhibit A-1
Total Revenue	4,358,351	4,529,748	4,391,462	Audit: Exhibit A-2
Total Expenses	4,124,352	4,670,381	4,129,115	Audit: Exhibit A-2
Change in Net Assets	233,999	(140,633)	262,347	Audit: Exhibit A-2
Depreciation Expense	6,361	6,381	14,625	Financial Statements/Audit Workpapers
Interest Expense	0	0	0	Financial Statements/Audit Workpapers
Principal Payments	0	0	0	Financial Statements/Audit Workpapers
Interest Payments	0	0	0	Financial Statements/Audit Workpapers
Final Average Daily Enrollment	227.50	231.20	233.30	DOE Enrollment Reports
March, 30th Budgeted Enrollment	240	240	240	Charter School Budget

RATIOS ANALYSIS...					Changes
Near Term Indicators	2015	2016	2017	3 YR CUM	Source:
1a. Current Ratio	9.35	6.44	12.63	9.03	Current Assets/Current Liabilities
1b. Unrestricted Days Cash	80.87	59.06	97.64	78.35	Cash/(Total Expenses/365)
1c. Enrollment Variance	95%	96%	97%	96.11%	Average Daily Enrollment/Budgeted Enrollment
1d.* Default	N/A	N/A	N/A		Audit
Sustainability Indicators					
2a. Total Margin	5%	-3%	6%	3%	Change in Net Assets/Total Revenue
2b. Debt to Asset	0.40	0.92	0.90	0.75	Total Liabilities/Total Assets
2c.** Cash Flow	163,430	(158,138)	348,961	354,253	Net change in cash flow from prior years
2d. Debt Service Coverage Ratio	N/A	N/A	N/A		(Change in Net Assets+Depreciation+Interest Expense)/(Principal & Interest Payments)
					Target
					> 1.1
					30-60
					>95%
					not in default
					positive
					<.9
					3 yr cum positive
					>1.10

* Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No
 ** 2017 = 2017 Cash - 2016 Cash; 2016 = 2016 Cash - 2015 Cash; 2015 = 2015 Cash - 2014 Cash

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

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Barack Obama Green Charter High School (Charter School), in the , State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements and have issued our report thereon dated December 4, 2017.

Internal Control over Financial Reporting

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

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

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


Compliance and Other Matters

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

Purpose of this Report

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


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

Union, New Jersey
December 4, 2017

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH NEW JERSEY CIRCULAR
15-08 OMB**

The Honorable President and
Members of the Board of Trustees
Barack Obama Green Charter High School

Plainfield, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Barack Obama Green Charter High School's (Charter School) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* and the New Jersey Circular 15-08-OMB *State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2017. 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.

Management's Responsibility

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

Auditor's Responsibility

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

of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Barack Obama Green Charter High School, in the , State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

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

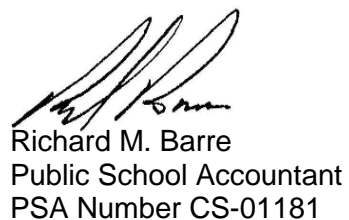
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal or 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 or 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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

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


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

Union, New Jersey
December 4, 2017

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2016	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2017 Deferred Revenue	Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
No Child Left Behind:														
84-010A	S010A150030		NCLB - - 17	\$ 173,729	7/1/16	\$ -	\$ -	59,865	(144,417)	\$ -	\$ -	(84,432)	\$ -	\$ -
84-010A	S010A150030		NCLB - - 16	190,076	7/1/15	(13,880)		13,880						
84-365A			NCLB - - 16	1,500	7/1/15	(1,500)		1,500						
84-374			NCLB - - 16	89,698	7/1/16	(16,938)		16,938	(485)			(330)		
84-367A	S367A150029		NCLB - - 17	933	7/1/16			155						
Individuals with Disabilities Cluster:														
84-027	H027A150100		IDEA - - 17	45,960	7/1/16			45,359	(45,359)					
84-027			IDEA - - 16	-	7/1/15			45,359	(45,359)					
Total Individuals with Disabilities Cluster														
Total Special Revenue Fund														
						(32,318)	-	137,797	(190,261)	-	-	(84,732)	-	-
U.S. Department of Agriculture														
Passed-through State Department of Agriculture														
Enterprise Fund:														
10-553	16161NJ304N1099		N/A	31,534	7/1/16			28,897	(31,534)			(2,637)		
10-553			N/A	17,473	7/1/15	(5,101)		5,101						
10-555	16161NJ304N1099		N/A	72,699	7/1/16	(13,603)		67,202	(72,699)			(5,497)		
10-555			N/A	51,605	7/1/15			13,603						
Total Enterprise Fund														
						(18,704)	-	114,803	(104,233)	-	-	(8,134)	-	-
						(51,022)	\$ -	252,600	(294,494)	\$ -	\$ -	(92,916)	\$ -	\$ -
Total Federal Financial Awards														

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2017

State Grant/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2016			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balance	Balance at June 30, 2017		MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	(Accounts Receivable)					Deferred Revenue/ Interfund Payable	Due to Grantor		Budgetary Receivable
State Department of Education															
General Fund															
State Aid-Public Cluster															
Equalization Aid	17-495-034-5120-071	\$ 2,499,465	7/1/16	6/30/17	\$ -	\$ -	\$ -	\$ 2,423,862	\$ (2,499,465)	\$ -	\$ -	\$ (75,603)	\$ -	\$ 75,603	\$ 2,499,465
Equalization Aid	16-495-034-5120-071	2,672,501	7/1/15	6/30/16	(53,251)	27,619	1,576	25,432							2,684,618
Special Education Aid	17-495-034-5120-078	2,266,194	7/1/16	6/30/17	(1,576)			60,191	(60,191)	(9,608)					60,191
Special Education Categorical Aid	17-495-034-5120-089	60,191	7/1/16	6/30/17		9,608									
Special Education Aid	16-495-034-5120-089	76,553	7/1/15	6/30/16				75,291	(75,291)						75,291
Special Education Aid	17-495-034-5120-089	76,553	7/1/16	6/30/17				75,291							
Security Aid	16-495-034-5120-084	91,846	7/1/15	6/30/16	(494)	1,038		293,292	(325,454)	(1,038)					325,454
Security Aid	17-495-034-5120-084	91,846	7/1/16	6/30/17				293,292							
Adjustment Aid	17-495-034-5120-085	325,454	7/1/16	6/30/17	(55,321)			2,860,138	(2,960,407)			(32,162)			2,960,407
Total State Aid-Public Cluster															
TPAF Post-Retirement Medical Contributions	17-495-034-5094-001	105,285	7/1/16	6/30/17				105,285	(105,285)						105,285
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	126,357	7/1/16	6/30/17				126,357	(126,357)						126,357
Reimbursed TPAF - Social Security	17-495-034-5094-003	88,130	7/1/16	6/30/17				58,649	(88,130)	(29,481)					88,130
Reimbursed TPAF - Social Security	16-495-034-5094-003	95,597	7/1/15	6/30/16	(17,991)			17,991							
TPAF Long-Term Disability Contributions	17-495-034-5094-004	1,324	7/1/16	6/30/17				1,824	(1,824)						1,824
Total General Fund					(73,312)	38,465	-	3,190,244	(3,281,997)	(10,646)		(137,246)	-	2,401,864	3,281,997
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	17-100-010-3350-023	1,300	7/1/16	6/30/17				1,202	(1,300)			(88)		98	1,300
National School Lunch Program (State Share)	16-100-010-3350-023	1,008	7/1/15	6/30/16	(241)			241							
Total Enterprise Fund					(241)			1,443	(1,300)			(88)		88	1,300
Total All Funds					(73,553)	38,465	-	3,191,687	(3,283,297)	(10,646)		(137,344)	-	2,401,952	3,283,297
State Financial Assistance Not Subject to Major Program Determination:															
General Funds:															
TPAF Post-Retirement Medical Contributions	17-495-034-5094-001	105,285	7/1/16	6/30/17				105,285	(105,285)						105,285
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	126,357	7/1/16	6/30/17				126,357	(126,357)						126,357
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	126,357	7/1/15	6/30/16				126,357							
Total State Financial Assistance Subject to Single Audit					(73,553)	38,465	-	2,958,221	(3,048,831)	(10,646)		(137,344)	-	2,401,962	3,048,831

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Schedules of Expenditures
Of Awards and Financial Assistance
June 30, 2017

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 CFR 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Schedules of Expenditures
Of Awards and Financial Assistance
June 30, 2017

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

	Federal	State	Total
General Fund	\$ -	\$ 3,281,997	\$ 3,281,997
Special Revenue Fund	386,000	-	386,000
Food Service Fund	104,233	1,300	105,533
Total Awards & Financial Assistance	<u>\$ 490,233</u>	<u>\$ 3,283,297</u>	<u>\$ 3,773,530</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

Barack Obama Green Charter High School has no loan balances outstanding at June 30, 2017.

NOTE 6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the charter school for the year ended June 30, 2017. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Notes to the Schedules of Expenditures
Of Awards and Financial Assistance
June 30, 2017

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

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

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the charter school.

Program	Total
Title I, Part A: <i>Grants to Local Education Agencies</i>	\$ 144,416
Title II, Part A: <i>Teacher and Principal Training and Recruiting</i>	<u>485</u>
Total	<u>\$ 144,901</u>

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2017

Section I – Summary of Auditor’s Results

Financial Statements

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

State Awards

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

Identification of major state programs:

GMIS Number(s)	Name of State Program
_____	STATE AID – PUBLIC CLUSTER
_____ 17-495-034-5120-078 _____	Equalization Aid
_____ 17-495-034-5120-089 _____	Special Education Aid
_____ 17-495-034-5120-084 _____	Security Aid
_____ 17-495-034-5120-085 _____	Adjustment Aid

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Summary Schedule of Prior Year Audit Findings and Questioned Costs
as Prepared by Management
For the Fiscal Year Ended June 30, 2017

Section II –Financial Statement Findings

The section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

No Current Year Findings

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

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

No Current Year Findings

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended June 30, 2017

STATUS OF PRIOR-YEAR FINDINGS

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (511 (a)(b)) and NJ OMB Circular 04-04 and/or 15-08, as applicable.

Prior Year Findings

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2016-001 Purchasing and Cash Disbursement

Criteria

N.J.A.C. 6A:23A 22.1 requires that charter school' internal control policies promote operational efficiency and effectiveness, provide reliable financial information, safeguard assets and records, encourage adherence to prescribed policies and comply with law and regulation as detailed at N.J.A.C. 6A:23A 22.1 through 22.15.

“When the cost of price of any contract awarded by purchasing agent in the aggregate does not exceed in a contract year the total sum of \$26,000 the contract may be awarded by a purchasing agent when so authorized by resolution of the board without public advertising for bids and bidding therefore, except that the board may adopt a resolution to set a lower threshold for the receipt for public bids or the resolution of competitive quotations.”

N.J.S.A. 18A:18A-37 describes the awarding of contracts below the bid threshold. Subsection (a) describes the requirements for awarding contracts below the bid threshold.

Condition

In our review of sixty cash disbursements and the related supporting documents, we noted the following:

- Payments to two vendors (Barnes & Noble and Pearson Education) exceeded the approved purchase order amounts.
- 13 cash disbursement have vendor invoices dated earlier than the approved purchase orders. These instance are non-compliance with standing policies and purchasing procedures in place on checking availability of funds before the purchase.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended June 30, 2017

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2016-001 Purchasing and Cash Disbursement – (Continued)

- Payments to two professional service vendors exceeded the contract amounts. However, there was no contract amendment or approved changed order on file to support the amounts paid.
- For a project management services contract for the Charter High School's facility project, there was no publicly advertise request for bids or qualifications. It should be noted that management were able to solicit two proposals. One vendor was invited to make a presentation to the board in its February 2016 meeting. However, there was no record in the minutes to acknowledge the other proposer or resolution passed to award the contract to the successful proposer, Northstar Advisors, LLC. Total payments to the selected vender were \$16,334 through June 30, 2016. Subsequently, the facility project was discontinued by management and the Board. Total expenditures for all professional services and feed related to the facility project through June 30, 2016 was \$168,692.

- *Cause*

There was lack of familiarity with regards to Charter High School's policies and procedures related to various levels of approval for certain expenditures.

- *Effect*

Non-compliance with Charter High School policies and procedures, and certain provisions of N.J.A.C. related to cash disbursements and purchasing procedures.

- *Recommendation*

We recommend review of policies and procedures related to Charter High School cash disbursement and approval for travel expenditures.

View of Responsible Official and Planned Corrective Action

Management will review with all personnel Charter High School's policies and procedures on purchasing, contracts and cash disbursements.

Charter School Corrective Action

A Corrective Action Plan was developed and instituted by the Charter School to address this finding. A copy of the Corrective Action Plan is attached and made part of the audit report.

BARACK OBAMA GREEN CHARTER HIGH SCHOOL
Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended June 30, 2017

SECTION III – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

- Refer to Finding 2016-001

Charter School Corrective Action

A Corrective Action Plan was developed and instituted by the Charter School to address this finding. A copy of the Corrective Action Plan is attached and made part of the audit report.

CERTIFICATION OF IMPLEMENTATION OF CORRECTIVE ACTION PLAN

For the Fiscal Year ended June 30, 2016


Name of Charter School: The Barack Obama Green Charter High School

County: Union

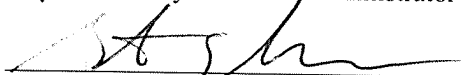
I hereby certify that all corrective actions listed on the charter school's Corrective Action Plan (CAP) for the fiscal year indicated above have been fully implemented except for the following

#1 Total Instructional expenditures is less than 60% of total expenditures.

#6 Incomplete Student file



Board Secretary/Business Administrator



Chief Executive Officer/Lead Person

06/30/2017
Date

7/5/17
Date

CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2016

SCHOOL DISTRICT/CHARTER/RENAISSANCE SCHOOL PROJECT

Barack Obama Green Charter High School

CONTACT PERSON BIMA BAJE

TELEPHONE

908-731-5053

EMAIL bima.baje@obamagreenhigh.com

County: Union
TYPE OF AUDIT Annual
DATE OF BOARD MEETING 15-Feb-17

Rec. No.	Corrective Action Approved by the Board	Method of Implementation	Person Responsible	Implementation Status & Completion Date
1	Total Instructional expenditures is less than 60% of total expenditures	SBA is responsible for at least quarterly reporting of 60/40 split. If the split is found to be out of balance SBA and CEO will first attempt resolution of this imbalance within 30 days HR will ensure all contracts are signed before employee start date. HR will certify in writing to the CEO that all documents are, in fact, obtained. If documents are missing or CEO has developed an operating procedure for developing which grant projects are suitable and best suited for the school. Upon acceptance by the Board of any grant project, the financial management SBA will submit the reimbursement on time moving forward.	SBA and CEO	In progress
2	Employee contracts were executed later than start date.		HR	In progress
3	Receivable from grant project aged over 2 years.		CEO	In progress
4	FICA reimbursement not submitted on time.		SBA	2017 reimbursement will be done in a timely fashion.
5	Payment to vendors exceed the approved purchased orders; Invoices dated earlier than approved purchased order; Payments to Professional services exceeded contract amounts; No public bidding for awarded contract beyond 40,000.	No payments are to be made without the appropriate purchase order and approval by the Board. Purchase Orders are to be created immediately after Board approval. No payments	SBA and CEO	Effective Oct 1, 2016, procedure has been implemented

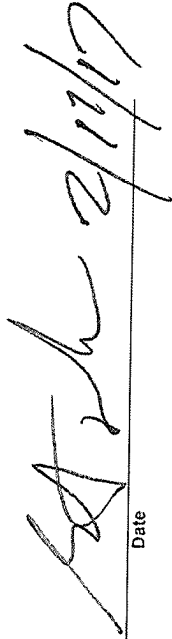
6 Incomplete student file

EC (in coordination with business office) and CEO in progress

The procedure has been implemented that when a student applies, that student is notified of all records required. The EC has developed a checklist to track each student and reporting requirement SBA will review lunch application to to ensure accurate lunch status determination is properly reflected in CHE

7 Errors in recording lunch determination in the CHE.

Effective Oct 1, 2016, procedure has been implemented



Steven King
School Leader

Date



Bima Beje
School Business Administrator

Date

2/15/17