

**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE**

of the

**Soaring Heights Charter School Board of Trustees
Jersey City, New Jersey**

For the Fiscal Year Ended June 30, 2015

**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE**

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditors' Report	1
Scope of Audit	2
Administrative Practices and Procedures	
Insurance	2
Official Bonds	2
Tuition Charges	2
Financial Planning, Accounting and Reporting	
Examination of Claims	2
Payroll Account	3
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures	3
Business Office's Records	3
Treasurer's Records	3
Other Special Federal Projects	4
T.P.A.F. Reimbursement	4
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	4
Charter School Enrollment System/Charter School Aid	4
Status of Prior Year's Audit Findings/Recommendations	5
Acknowledgment	5
Enrollment Count as of October 15, 2014	6
Enrollment Count as of June 10, 2015	7

Vincent M. Montanino, RMA, PSA
Michael S. Zambito, CPA, RMA
Antonia Russo, Associate

Report of Independent Auditors

Honorable President and
Members of the Board of Education
Soaring Heights Charter School
County of Hudson, New Jersey

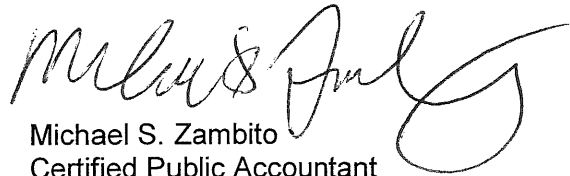
We have audited, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Soaring Heights Charter School in the County of Hudson for the year ended June 30, 2015, and have issued our report thereon dated December 7, 2015.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Soaring Heights Charter School Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



Vincent M. Montanino
Public School Accountant
License No. CS000495



Michael S. Zambito
Certified Public Accountant
License No. 20CC00789500

Dated: December 7, 2015

111 Howard Boulevard
Suite 212
P.O. Box 397
Mt. Arlington, NJ 07856
Phone: 973-770-5491
Fax: 973-770-5494
vm_associates@msn.com

Administrative Findings – Financial, Compliance and Performance

Scope of Audit

The audit covered the financial transactions of the Board/School Business Administrator and the Treasurer of School Moneys, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Insurance coverage was carried at amounts, which appeared reasonable for Soaring Heights Charter School's operations. A summary of basic coverage is as follows:

Bodily Injury, Property Damage, General Aggregate	\$1,000,000
Personal & Advertising Injury	\$1,000,000
Employee Benefits Liability	\$1,000,000
Business Auto	\$1,000,000
Umbrella	\$2,000,000
Educators Legal Liability	\$1,000,000
Child Molestation and Sexual Abuse (annually)	\$4,000,000

Tuition Charges

A review of the financial statements indicated that the charter school charged no tuition for any student attending the charter school.

Financial Planning, Accounting and Reporting

Examination of Claims

Claims paid during the period under review were examined on a test basis to determine that they are submitted on Board vouchers, itemized, signed by the officials as to approval for payment, endorsement for receipt of materials, allocated to the proper accounts, charged to the proper fiscal period and in agreement with bill list set forth in the approved minutes of the Board.

The review and inquiry indicate good scrutiny on the part of the Board and Board officials regarding expenditures.

Financial Planning, Accounting and Reporting (Continued)

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and the Board's required payroll contributions were deposited in the Payroll Agency Account.

All payrolls were approved by the designee in the charter school and were certified by the President of the Board and the Business Administrator.

Salary withholdings were promptly remitted to the proper agencies.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2 and the line items details as described in the Budget Summary Key as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Business Office's Records

The prescribed contractual order system was followed.

All purchase orders tested were charged to the appropriate line accounts in accordance with the State prescribed Uniform Minimum Chart of Accounts (2R2) For New Jersey Public Schools.

Monthly certifications of line-item appropriations and fund status were filed in accordance with N.J.A.C. 6A:23-2.11 and Division of Finance Policy Bulletin 200-11.

Acknowledgment of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports was included in the minutes.

The charter school's double entry system of accounting records were maintained in accordance with the Department of Education's prescribed GAAP Technical Systems Manual, pursuant to N.J.S.A. 18A:4-14 and N.J.A.C. 6A:23-2.

The general fixed asset records were updated for the additions and disposals of general fixed assets made during the year.

Treasurer's Records

The Treasurer performed cash reconciliations for the general operating account and payroll account in accordance with N.J.S.A. 18A:17-36.

All cash receipts tested were promptly deposited.

The Treasurer's records were in agreement with the records of the Board Secretary.

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal Projects

The district's Special Projects were approved as listed on Schedule A located in the CAFR.

The financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

Our audit procedures included a test of the amount claimed for reimbursement filed with the Department of Education for charter school employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective April 17, 2000, N.J.S.A. 18A:18A (Public School Contracts Law) was revised by P.L. 1999, c. 440 (originally known as Assembly bill No. 35190). The associated rules were drafted by the Division of Local Government Services in the Department of Community Affairs, with consultation from the Commissioner of Education.

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-3 (as amended) and 18A:39-3 (Transportation) are \$26,000.00 and \$17,500.00 respectively.

It is pointed out that the Board of Education has the responsibility of determining whether the commitments and expenditures are in compliance with the statutes and, where question arises as to whether any contract or agreement might result in violation of these statutes the Board attorney's opinion should be sought before commitment is made.

Inasmuch as the system of records is not required to provide and therefore did not provide for an accumulation of payments by categories for the performance of any work or the furnishings or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed. None were disclosed.

The results of our examination indicated that no individual payments, contracts or agreements were made "for the provision or performance of any goods or services," in excess of the statutory limit where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records is not required to provide and therefore did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

Charter School Enrollment System/Charter School Aid

Our audit procedures included a test of enrollment information reported on the October 15th, and the last day of school for on-roll, special education, bilingual and low income.

Status of Prior Years' Audit Findings/Recommendations

Not Applicable

Acknowledgment

We received the complete cooperation of all officials of the charter school and we greatly appreciate the courtesies extended to the members of the audit team.

SOARING HEIGHTS CHARTER SCHOOL
 APPLICATION FOR CHARTER SCHOOL AID
 ENROLLMENT COUNT AS OF OCTOBER 15, 2014

Grades	Submitted To DOE On Roll	Reported on Workpapers	Verified Signed Registration	Verified # of Days		Spec. Ed/ Bilingual	Verified Doc.	Errors		Low Income	Verified Doc.	Errors
				Enrolled	Enrolled			Enrolled	Enrolled			
Kindergarten	46	23	23	0	23	1	1	0	0	18	18	0
One	24	12	12	0	12	0	0	0	0	18	18	0
Two	24	12	12	0	12	2	2	0	0	15	15	0
Three	24	12	12	0	12	3	3	0	0	11	11	0
Four	24	12	12	0	12	1	1	0	0	19	19	0
Five	23	12	12	0	12	0	0	0	0	17	17	0
Six	22	11	11	0	11	2	2	0	0	16	16	0
Seven	24	12	12	0	12	3	3	0	0	13	13	0
Eight	24	12	12	0	12	8	8	0	0	12	12	0
Nine												
Ten												
Eleven												
Twelve												
Totals	235	118	118	0	118	0	20	0	0	139	139	0
Percentage				0.0%			0.0%		0.0%			0.0%

SOARING HEIGHTS CHARTER SCHOOL
 APPLICATION FOR CHARTER SCHOOL AID
 ENROLLMENT COUNT AS OF JUNE 1, 2015

Grades	Submitted To DOE On Roll	Reported on Workpapers	Verified Signed Registration	Verified # of Days		Spec. Ed/ Bilingual	Verified Doc.	Verified # of Days		Low Income	Verified Doc.	Errors
				Errors	Enrolled			Errors	Enrolled			
Kindergarten	46	23	23	0	23	1	1	0	1	24	24	0
One	23	11	11	0	11	0	0	0	0	18	18	0
Two	24	12	12	0	12	2	2	0	2	15	15	0
Three	24	12	12	0	12	3	3	0	3	13	13	0
Four	24	12	12	0	12	1	1	0	1	19	19	0
Five	24	12	12	0	12	0	0	0	0	17	17	0
Six	22	11	11	0	11	2	2	0	2	16	16	0
Seven	22	11	11	0	11	2	2	0	2	12	12	0
Eight	24	12	12	0	12	8	8	0	8	12	12	0
Nine												
Ten												
Eleven												
Twelve												
Totals	233	116	116	0	116	19	19	0	19	146	146	0
Percentage				0.0%				0.0%				0.0%