

**INDEPENDENT AUDITOR'S MANAGEMENT  
REPORT ON ADMINISTRATIVE FINDINGS**

**FINANCIAL, COMPLIANCE AND  
PERFORMANCE**

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

**JUNE 30, 2020**

**GALLEROS ROBINSON  
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

**TABLE OF CONTENTS**

	<u>PAGE NO.</u>
<b>Independent Auditor’s Report</b> .....	1
<b>Scope of Audit</b> .....	2
<b>Administrative Practices and Procedures</b>	
Insurance .....	2
Official Bonds .....	2
Tuition Charges.....	2
<b>Financial Planning, Accounting and Reporting</b>	
Examination of Claims .....	2
Payroll Account .....	3
Reserve for Encumbrances and Accounts Payable .....	3
Travel Policy.....	4
Classification of Expenditures .....	4
▪ General Classification	
▪ Administrative Classification	
Board Secretary’s Records .....	4
Treasurer’s Records.....	N/A
Elementary and Secondary Education Act as amended by the Every Student Succeeds Act (ESSA).....	5
Other Special Federal and/or State Projects.....	5
T.P.A.F. Reimbursement.....	6
T.P.A.F. Reimbursement to the State of Federal Salary Expenditures .....	6
<b>School Purchasing Programs</b>	
Contracts and Agreements Requiring Advertisement for Bids .....	6
<b>School Food Service</b> .....	7
<b>Charter School Enrollment System/Charter School Aid</b> .....	8
<b>Student Body Activities</b> .....	9
<b>Facilities and Capital Assets</b> .....	9
<b>Miscellaneous</b>	
Payroll Protection Program (PPP).....	9
Testing for Lead of All Drinking Water in Educational Facilities .....	10
<b>Follow-up on Prior Year Findings</b> .....	10
<b>Acknowledgment</b> .....	10
<b>Schedule of Meal Count Activity</b> .....	N/A
<b>Schedule of Audited Enrollments</b> .....	11
<b>Excess Cash Surplus Calculation</b> .....	13
<b>Audit Recommendations Summary</b> .....	14



## INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of Board of Trustees  
Achieve Community Charter School  
County of Essex, 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 Trustees of the Achieve Community Charter School (the "Charter School") in the County of Essex, State of New Jersey for the year ended June 30, 2020, and have issued our report thereon dated January 20, 2021.

As part of our audit, we performed procedures required by the State of 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 Charter School Board of Trustees' management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Leonora Galleros".

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

A handwritten signature in black ink that reads "Galleros Robinson CPAs, LLP".

Galleros Robinson CPAs, LLP  
Certified Public Accountants

January 20, 2021  
Cream Ridge, New Jersey

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

**ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Moneys, the activities of the Board of Trustees of Achieve Community Charter School (the "Charter School"), and the records of the various funds under the auspices of the Board of Trustees.

**Administrative Practices and Procedures**

Insurance

Required insurance coverages are carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the Charter School's CAFR.

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32)

***Finding 2020-001\****

The Charter School's officials did not have the required surety bond of \$153,619 as required in the schedule set forth in *N.J.A.C. 6A:23A-16.4*.

***Recommendation***

The Charter School should obtain the surety bond as required in the schedule set forth in *N.J.A.C. 6A:23A-16.4*.

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

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

**ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE - CONTINUED**

**Financial Planning, Accounting, and Reporting - Continued**

Examination of Claims - continued

***Finding 2020-002\* (CAFR Finding 2020-002)***

In our review of claims, we noted the following:

- a. Supporting documents for 6 of 40 sample claims paid were not on file.
- b. Of the 34 claims paid with supporting documents provided,
  - 16 claims have confirming purchase orders.
  - 12 claims did not have signed vendor certifications.
  - 10 claims have inadequate supporting documentation.
  - 3 did not have signed purchase orders.
  - 2 claims have undated purchase orders.

***Recommendation***

We recommend a review of vendor files to ensure that all supporting documents including approved purchase orders, vendor invoices and certifications are obtained and maintained. Further, expenses should always follow the Charter School's purchasing policy.

Payroll Account

The net salaries of all employees of the Board were not deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the designee of the Charter School and were certified by the President of the Board, the Board Secretary/Business Administrator and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withheld due to the general fund.

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

Reserve for Encumbrances and Accounts Payable

A review of outstanding purchase orders was made as of June 30, 2020, for proper classification of purchase orders as Reserved for Encumbrances or Accounts Payable. No exception was noted in this area.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

**ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE - CONTINUED**

**Financial Planning, Accounting, and Reporting - Continued**

Travel Policy

A travel policy was adopted by the Board as required by *N.J.A.C. 6A:23A A-6.13* and *N.J.S.A. 18A:11-12*.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23-2.2(g)* and line-item details as described in the Budget Summary Key as part of our test of transactions of judgmentally selected expenditure items. We also reviewed coding of all expenditures included in our Compliance and Single Audit testing procedures. In addition to the selected expenditures items, we specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23-8.2*. As a result of the procedures performed, we noted no deviations in expenditure of administrative coding classification.

Board Secretary's Records

We reviewed the Board Secretary's financial and accounting records maintained by the Business Office and noted that monthly reports are provided to the Board for review and approval. We noted the exceptions below.

***Finding 2020-003\* (CAFR Finding 2020-001)***

The financial records were not readily available during the audit due to turnover in CMO employee and unfamiliarity with the accounting system used. As a result, there were several trial balance revisions to reconcile cash balances, interfund activities, accounts payable and payroll account balances. Also, multiple general ledger cash accounts in each fund were used for a bank account to account for interfund transactions. Case on point, the general fund has cash accounts for food service, student activities and payroll. Several adjusting journal entries were recorded at year-end in each fund to correct the cash balances and other accounts.

There was also one bank account that was overdrawn as of June 30, 2020.

***Recommendation***

We recommend streamlining the general ledger accounts and reconciliation throughout the year. Training of personnel and familiarization with the use of accounting system is also suggested.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

**ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE - CONTINUED**

**Financial Planning, Accounting, and Reporting - Continued**

Board Secretary's Records - continued

***Finding 2020-004 (CAFR Finding 2020-001)***

The Board Secretary's and financial reports were not presented monthly to the board as prescribed (N.J.S.A.18A:17-9 and 18A:17-36). In addition, the budget columns in the monthly Board Secretary's report are not updated.

***Recommendation***

The Board Secretary's and financial reports should be presented monthly to the board as prescribed (N.J.S.A.18A:17-9 and 18A:17-36).

Elementary and Secondary Education Act (E.S.E.A) as amended by Every Student Succeeds Act (ESSA)

The ESEA financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

***Finding 2020-005 (CAFR Finding 2020-003)***

Employees' time and activity reports for Title I and IDEA for the first half of the year were not available as required by Uniform Grant Guidance 2 C.F.R. 200.302.

***Recommendation***

The Charter School should ensure that federally funded employee salaries have a completed semi-annual or monthly time and activity certification in accordance with Uniform Guidance 2 C.F.R. 200.302.

Other Special Federal and/or State Projects

The Charter School's special projects were approved as listed on Schedules A and B in the CAFR. Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

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.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

**ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE - CONTINUED**

**Financial Planning, Accounting, and Reporting - Continued**

Teachers' Pension Annuity Fund (T.P.A.F.) Reimbursement

Our audit procedures included a test of the electronic reimbursements filed with the Department of Education for Charter School employees who are members of the Teacher's Pension Annuity Fund. We noted no exceptions.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the charter school to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the charter school for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90-day grant liquidation period required by the Office of Grants Management. The TPAF Reimbursement however was not paid within the 90-day requirement.

***Finding 2020-006\****

The TPAF Reimbursement to the State for the share of federally funded programs of benefits was not submitted and paid until November 2020.

***Recommendation***

The Charter School need to timely submit the TPAF Reimbursement to State for Federal Salary Expenditures within the 90-day grant liquidation period required by the Office of Grants Management.

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$19,600 for 2019-20.

The Charter school board of trustees has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.



**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

**ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE - CONTINUED**

**School Purchasing Programs – Continued**

Based on the results of our examination, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds 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 18:18A-5.

**School Food Service**

In accordance with the Governor’s Declaration of Emergency pertaining to the COVID 19 Virus all Public, Charter, Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to Free and Reduced-Price eligible students during the period of school closures.

Therefore, SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of Free and Reduced-Price meal eligible students.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all free and reduced-price meal eligible students during the emergency.

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA’s expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

Non-program foods were not purchased, prepared, sold or offered for sale by the Charter School.

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

**ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE - CONTINUED**

**School Food Service - Continued**

applicable financial records to document the specific costs applicable to the emergency operations.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G of the CAFR.

***Observation 1***

We note that the School Food Service has accumulated deficit of \$25,971 as of June 30, 2020. Increasing the appropriation in the general fund for a budgetary transfer out to the Food Service Fund should be considered during fiscal year 2021 if other revenue sources will not increase.

During the audit, we also observed that the Charter School only recorded \$45 as cash receipts from daily sales collection from the food service program. We recommend that the Charter School revisit its billing and collection procedures to increase program revenues.

***Finding 2020-007\* (CAFR Finding 2020-004)***

The reimbursement claims for meals served during the month of September 2019 in the total amount of \$11,797 was submitted to the New Jersey State Department of Agriculture past 60 days after the end of the reporting month. As a result, the claim is in further review by the New Jersey State Department of Agriculture, and remained unpaid at June 30, 2020.

***Recommendation***

We recommend that the Charter School strongly implement its policies and procedures to ensure that the required reports are filed timely.

**Charter School Enrollment System/Charter School Aid**

Our audit procedures included tests of information reported on October 15<sup>th</sup> and the last day of the school year for enrolled, special education, bilingual and low-income students. We also performed a review of the Charter School's procedures related to its completion.

***Finding 2020-008\****

In our review of enrollment information as reported in the CHE and as per school records, we noted the following:

- a. There were 10 student files that were not on file.
- b. There were 2 students with no proof of address on file.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

**ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE - CONTINUED**

**Charter School Enrollment System/Charter School Aid - Continued**

***Finding 2020-010\*- continued***

- c. There were 6 students with only one proof of address.
- d. There were 9 students with no proof of birth date.
- e. A student with proof of address not matching the enrolled district.
- f. Lunch application for two students were missing.
- g. Four Special Education students did not include IEP effective October 15, 2019.
- h. A Special Education student folder was not on file.

***Recommendation***

We recommend that the Charter School review the System entries for accurate posting of student information in the System. We also recommend review procedures for file maintenance. Reconciliation and review procedures of information should also be conducted on a periodic basis.

**Student Body Activities**

Student activities during the fiscal year ended June 30, 2020 were accounted for. No exceptions were noted in this area.

**Facilities and Capital Assets**

The Charter School has inventory records of assets. No exception was noted in this area.

**Miscellaneous**

Payroll Protection Program (PPP)

***Observation 2***

During FY 2020, the Charter School applied for a loan and was approved for \$340,090 under the Paycheck Protection Program ("PPP"), which the Charter School recognized as debt. The loan and accrued interest are forgivable for as long as the loan proceeds are used for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. As of June 30, 2020, the PPP loans payable balance is \$340,090. Because the PPP loan is payable in 24 months, an unsecured long-term debt, the Charter School may have violated the Charter School Law, which prohibits Charter Schools from obtaining unsecured long-term debts. The Charter School management, however, believes that its use of the proceeds will meet the conditions for forgiveness of the loan.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

**ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE - CONTINUED**

**Miscellaneous - Continued**

Testing for Lead of All Drinking Water in Educational Facilities

The Charter School adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

**Follow-up on Prior Year Findings**

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations. Corrective actions had been completed or are still in process on prior year findings, with the exception of those that are identified as repeat (\*) or partially similar to findings in this year's recommendation.

**Acknowledgment**

We received the complete cooperation of all the officials of the Charter School and we greatly appreciate the courtesies extended to the members of our audit team.

Respectfully submitted,



---

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



---

Galleros Robinson CPAs, LLP  
Certified Public Accountants

January 20, 2021  
Cream Ridge, New Jersey

**ACHIEVE COMMUNITY CHARTER SCHOOL  
APPLICATION FOR CHARTER SCHOOL AID  
ENROLLMENT COUNT AS OF OCTOBER 15, 2019**

Grades	Submission to DOE reported On Roll			50% Verification required 10/15/19						Submission to DOE Reported Special Ed/ Bilingual						Low Income		
	Reported on workpapers	Errors		Verified signed registration forms	Errors	Verified # days enrolled	Errors	Verified	documentation	Errors	Verified # days Service Provided	Errors	Income	Verified documentation	Errors			
Kindergarten	55	55	0	27	26	1	26	0	1	1	0	1	0	2	2	0		
One	50	50	0	25	25	0	25	0	3	3	0	3	0	13	12	1		
Two	64	64	0	32	32	0	32	0	3	3	0	3	0	23	23	0		
Three	49	49	0	25	24	1	24	0	4	4	0	4	0	13	13	0		
Five	25	25	0	13	13	0	13	0	2	1	1	1	1	0	0	0		
Six	63	63	0	31	31	0	31	0	2	1	1	1	1	16	16	0		
<b>Total</b>	<b>306</b>	<b>306</b>	<b>0</b>	<b>153</b>	<b>151</b>	<b>2</b>	<b>151</b>	<b>0</b>	<b>15</b>	<b>13</b>	<b>2</b>	<b>13</b>	<b>2</b>	<b>67</b>	<b>66</b>	<b>1</b>		
Percentage			0.0%			1%		0%			13%		13%			1%		

**ACHIEVE COMMUNITY CHARTER SCHOOL  
APPLICATION FOR CHARTER SCHOOL AID  
ENROLLMENT COUNT AS OF THE LAST DAY - JUNE 26, 2020**

Grades	Submission to DOE reported On Roll	Reported on		50% Verification			Verified signed			Verified #			Submission to DOE Reported			Verified # days			Low		
		workpapers	Errors	required 6/30/20	registration forms	Errors	days enrollee	Errors	Special Ed/ Bilingual	documentation	Errors	Service Provided	Errors	Income	documentation	Errors					
Kindergarten	51	51	0	25	25	0	25	0	0	0	0	0	0	0	0	1	1	0			
One	50	50	0	25	25	0	25	0	3	2	1	2	1	13	12	1					
Two	65	65	0	32	32	0	32	0	3	3	0	3	0	23	23	0					
Three	47	47	0	24	24	0	24	0	3	2	1	2	1	12	12	0					
Five	27	27	0	14	13	1	13	0	1	1	0	1	0	0	0	0					
Six	66	66	0	33	33	0	33	0	3	3	0	3	0	16	16	0					
<b>Total</b>	<b>306</b>	<b>306</b>	<b>0</b>	<b>153</b>	<b>152</b>	<b>1</b>	<b>152</b>	<b>0</b>	<b>13</b>	<b>11</b>	<b>2</b>	<b>11</b>	<b>2</b>	<b>65</b>	<b>64</b>	<b>1</b>					
Percentage			0.0%			1%		0%			15%		15%			2%					

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**EXCESS SURPLUS CALCULATION**

June 30, 2020

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

2019-20 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ 4,504,564 (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ - (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ - (B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ _____ - (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ _____ - (B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ 112,559 (B2a)
Assets Acquired Under Capital Leases	\$ _____ - (B2b)
Adjusted 2019-20 General Fund Expenditures [(B)+(B1s)-(B2s)]	<u>\$ 4,392,005 (B3)</u>
2% of Adjusted 2019-20 General Fund Expenditures [(B3) times .02]	<u>\$ 87,840 (B4)</u>
Enter Greater of (B4) or \$250,000	<u>\$ 250,000 (B5)</u>
Increased by: Allowable Adjustment *	<u>\$ _____ - (K)</u>
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	<u>\$ 250,000 (M)</u>

**SECTION 2**

Total General Fund - Fund Balances @ 6/30/2020 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 72,940 (C)
Decreased by:	
Year-end Encumbrances	\$ _____ - (C1)
Legally Restricted – Designated for Subsequent Year’s Expenditures	\$ _____ - (C2)
Legally Restricted - Excess Surplus – Designated for Subsequent Year’s Expenditures **	\$ _____ - (C3)
Other Restricted Fund Balances ****	\$ _____ - (C4)
Assigned Fund Balance – Unreserved- Designated for Subsequent Year’s Expenditures	\$ _____ - (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 72,940 (U1)</u>
Excess Surplus (Deficiency) at June 30, 2020	<u>\$ (177,060)</u>

**SECTION 3**

Restricted Fund Balance – Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-	<u>\$ _____ - (E)</u>
---	-----------------------

**Recapitulation of Excess Surplus as of June 30, 2020**

Reserved Excess Surplus – Designated for Subsequent Year’s Expenditures **	\$ _____ - (C3)
Reserved Excess Surplus ***[(E)]	\$ _____ - (E)
Total Excess Surplus [(C3) + (E)]	<u>\$ _____ - (D)</u>

Charter schools are not subject to the excess surplus limitations. Charter schools auditors are required to document the calculation of excess surplus pursuant to N.J.S.A. 18A:7F-7 solely for the purpose of adherence to N.J.A.C. 6A:23A-22.4(e), which provides that a district board of education may petition the Commissioner to pay a lower per-pupil rate if the charter schools spends "significantly less than budgeted and has accumulated a sizeable surplus."

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

**AUDIT RECOMMENDATION SUMMARY - CONTINUED**

**FOR THE YEAR ENDED JUNE 30, 2020**

**I. Administrative Practices and Procedures**

1. The Charter School should obtain the surety bond as required in the schedule set forth in N.J.A.C. 6A:23A-16.4.

**II. Financial Planning, Accounting and Reporting**

2. We recommend a review of vendor files to ensure that all supporting documents including approved purchase orders, vendor invoices and certifications are obtained and maintained. Further, expenses should always follow the Charter School's purchasing policy.
3. We recommend timely reconciliation of account balances throughout the year, streamlining general ledger accounts, and training of personnel and familiarization with the use of accounting system.
4. The Board Secretary's and financial reports should be presented monthly to the board as prescribed (N.J.S.A.18A:17-9 and 18A:17-36).
5. The Charter School should ensure that federally funded employee salaries have a completed semi-annual or monthly time and activity certification in accordance with Uniform Guidance 2 C.F.R. 200.302.
6. The Charter School need to timely submit the TPAF Reimbursements to State for share of federal programs of benefits within the 90-day grant liquidation period required by the Office of Grants Management.

**III. School Purchasing Programs**

There are none.

**IV. School Food Service**

7. We recommend that the Charter School implement its policies and procedures to ensure that the required reports are filed timely.



**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

**AUDIT RECOMMENDATION SUMMARY - CONTINUED**

**FOR THE YEAR ENDED JUNE 30, 2020**

**V. Student Body Activities**

There are none.

**VI. Application for State School Aid**

N/A.

**VII. Charter School Enrollment System/Charter School Aid**

8. We recommend that the Charter School review the System entries for accurate posting of student information in the System and improve filing of student records. Reconciliation and review procedures of information should also be conducted on a periodic basis.

**VIII. Pupil Transportation**

N/A.

**IX. Facilities and Capital Assets**

There are none.

**X. Miscellaneous**

There are none.

**XI. Status of Prior Year Finding**

Corrective actions had been completed or are still in process on prior year findings, with the exception of those that are identified as repeat (\*) or partially similar to findings in this year's recommendation.