

**CAMDEN PREP, INC.**

**AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS, FINANCIAL COMPLIANCE AND PERFORMANCE  
FOR THE YEAR ENDED JUNE 30, 2021**

**CAMDEN PREP, INC.**

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June 30, 2021

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## Independent Auditor's Report

To the Board of Trustees of  
Camden Prep, Inc.:

### **Report on the Financial Statements**

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 Camden Prep, Inc., in the County of Camden, as of and for the year ended June 30, 2021, and have issued our report thereon dated February 9, 2022.

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

This report is intended for the information of Camden Prep, Inc.'s management, Board of Trustees and the New Jersey Department of Education. However, this report is a matter of public records and its distribution is not limited.

*AAFCPAs, Inc.*

Westborough, Massachusetts  
February 9, 2022

John R. Buckley, C.P.A.  
Public School Accountant  
PSA #20CS00271800

**ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

Scope of Audit

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

**ADMINISTRATIVE PRACTICES AND PROCEDURES**

Insurance

Fire insurance coverage was carried in the amounts as detailed in Exhibit J-20, Insurance Schedule contained in the Renaissance School's ACFR.

Official Bonds

<u>Name</u>	<u>Position</u>
Sandra Franco	Director of Accounting

There is a Fidelity bond in the name of a related party, Uncommon Schools, Inc., which extends to the Renaissance School in the amount of \$1,000,000.

**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.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A23A-23A-16(f)* 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 state single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A23A-8.3*. As a result of the procedures performed, a transaction error rate of zero percent overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Payroll Account

The net salaries of all employees of the Board were 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 in the Renaissance School and were certified by the President of the Board of Trustees and the School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium.

Reserve for Encumbrances and Accounts Payable

A review of outstanding payables was made as of June 30, 2021, for proper classification of orders for accounts payable. No discrepancies were noted.

## **FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)**

### Board Secretary's Accounting Records

Our review of the financial and accounting records maintained by the Board Secretary did not disclose any new exceptions during the year.

### **SCHOOL PURCHASING PROGRAMS**

#### Student Body Activities

Our review of the student activities funds did not disclose any new exceptions during the year.

### **SCHEDULE OF AUDITED ENROLLMENTS**

#### Enrollment Counts and Submissions to the Department

Our audit procedures included tests of information reported on the October 15, 2020, and the last day of school for on-roll, special education, bilingual, and low-income. We also performed a review of the School's procedures related to its completion. The Renaissance School maintained adequate written procedures for the recording of student enrollment data. The results of our procedures are presented in the Schedule of Audit Enrollments. No exceptions noted.

#### **Finding 2021-01**

During our testing of Limited English Proficiency (LEP) and Special Education (SPED) and Free or Reduced Plan (FRPL) enrollment, we noted that the number of students classified as LEP, SPED and FRPL per the NJ Smart report and the Renaissance School's internal tracking report did not agree.

#### *Recommendation:*

Management should keep supporting documentation to ensure all students are correctly entered in the NJ Smart report.

#### *Management Response:*

Efforts will be made to review and maintain the information to support numbers in the CHE reports.

#### Teacher's Pension and Annuity Fund (TPAF) Reimbursement to the State for Federal Salary Expenditures

As of June 30, 2021, the state has not reimbursed the Renaissance School for Social Security and pension related costs for TPAF employees. Therefore, this is not applicable for fiscal year 2021.

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

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended. No exceptions noted.

## **SCHEDULE OF AUDITED ENROLLMENTS (Continued)**

### Other Special Federal and/or State Projects

The Renaissance School's Special Projects were approved as listed on Exhibit E-1 located in the ACFR.

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 ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

## **MISCELLANEOUS**

### Testing for Lead of All Drinking Water in Educational Facilities

The Renaissance 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.

The Renaissance School submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

## **FOLLOW-UP ON PRIOR YEAR FINDINGS**

In accordance with *Government Auditing Standards*, our procedures included a review of the prior year findings. No recommendations were reported in the prior year.

## **ACKNOWLEDGEMENT**

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

**CAMDEN PREP, INC.**  
**APPLICATION FOR CHARTER SCHOOL AID**  
**ENROLLMENT COUNT AS OF OCTOBER 15, 2020**

Grades	Submission to DOE reported On Roll	Sample												
		Reported on workpapers	Verified signed registration forms	Errors	Verified # days enrolled	Errors	Special Ed/ Bilingual	Verified documentation	Errors	Verified # days Service Provided	Errors	Low Income	Verified documentation	Errors
Kindergarten	95	48	48	0	48	0	2	2	0	2	0	94	94	0
One	142	71	71	0	71	0	13	13	0	13	0	135	135	0
Two	143	72	72	0	72	0	37	37	0	37	0	139	139	0
Three	155	78	78	0	78	0	27	27	0	27	0	148	148	0
Four	118	59	59	0	59	0	22	22	0	22	0	115	115	0
Five	88	44	44	0	44	0	25	25	0	25	0	85	85	0
Six	81	41	41	0	41	0	20	20	0	20	0	80	80	0
Seven	58	29	29	0	29	0	15	15	0	15	0	56	56	0
Eight	68	34	34	0	34	0	21	21	0	21	0	66	66	0
Nine	59	30	30	0	30	0	13	13	0	13	0	58	58	0
<b>Total</b>	<b>1007</b>	<b>506</b>	<b>506</b>	<b>0</b>	<b>506</b>	<b>0</b>	<b>195</b>	<b>195</b>	<b>0</b>	<b>195</b>	<b>0</b>	<b>976</b>	<b>976</b>	<b>0</b>
<b>Percentage</b>				<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

**CAMDEN PREP, INC.**  
**APPLICATION FOR CHARTER SCHOOL AID**  
**ENROLLMENT COUNT AS OF THE LAST DAY OF SCHOOL**

Grades	Submission to DOE reported On Roll	Sample													
		Reported on workpapers	Verified signed registration forms	Errors	Verified # days enrolled	Errors	Special Ed/ Bilingual	Verified documentation	Errors	Verified # days Service Provided	Errors	Low Income	Verified documentation	Errors	
Kindergarten	107	54	54	0	54	0	11	11	0	11	0	90	90	0	
One	147	74	74	0	74	0	14	14	0	14	0	141	141	0	
Two	151	76	76	0	76	0	48	48	0	48	0	146	146	0	
Three	156	78	78	0	78	0	33	33	0	33	0	146	146	0	
Four	124	62	62	0	62	0	29	29	0	29	0	118	118	0	
Five	86	43	43	0	43	0	24	24	0	24	0	83	83	0	
Six	86	43	43	0	43	0	22	22	0	22	0	80	80	0	
Seven	61	31	31	0	31	0	16	16	0	16	0	57	57	0	
Eight	73	37	37	0	37	0	22	22	0	22	0	68	68	0	
Nine	63	32	32	0	32	0	16	16	0	16	0	56	56	0	
<b>Total</b>	<b>1054</b>	<b>530</b>	<b>530</b>	<b>0</b>	<b>530</b>	<b>0</b>	<b>235</b>	<b>235</b>	<b>0</b>	<b>235</b>	<b>0</b>	<b>985</b>	<b>985</b>	<b>0</b>	
Percentage				0%		0%			0%		0%			0%	



**CAMDEN PREP, INC.**

Audit Summary Recommendations  
June 30, 2021

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It is recommended that:

1. Administrative Practices and Procedures  
None
2. Financial Planning, Accounting and Reporting

**Finding 2021-01**

During our testing of Limited English Proficiency (LEP) and Special Education (SPED) and Free or Reduced Plan (FRPL) enrollment, we noted that the number of students classified as LE, SPED and FRPL per the NJ Smart report and the Renaissance School's internal tracking report did not agree.

*Recommendation:*

Management should ensure all supporting documentation is kept on file

3. School Purchasing Program  
None
4. School Food Service  
Not applicable
5. Student Body Activities  
Not applicable
6. Application for State and School Aid  
None
7. Pupil Transportation  
Not applicable
8. Facilities and Capital Assets  
Not applicable
9. Miscellaneous  
None
10. Status of Prior Year's Findings and Recommendations  
Not applicable

**CAMDEN PREP, INC.**

Excess Surplus Calculation  
June 30, 2021

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EXCESS SURPLUS CALCULATION

**SECTION 1**

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

2020-21 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ <u>16,519,257</u> (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 and Social Security	\$ <u>168,130</u> (B2a)
Assets Acquired Under Capital Leases	\$ _____ - (B2b)

Adjusted 2020-21 General Fund Expenditures [(B)+(B1s)-(B2s)] \$ 16,351,127(B3)

2% of Adjusted 2020-21 General Fund Expenditures [(B3) times .02]	\$ <u>327,023</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>327,023</u> (B4)
Increased by: Allowable Adjustment	\$ _____ (K)

Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)] \$ 250,000 (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6/30/2021 (Per ACFR Budgetary Comparison Schedule C-1)	\$ <u>5,070,080</u> (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>5,070,080</u> (U1)

**CAMDEN PREP, INC.**

Excess Surplus Calculation  
June 30, 2021

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EXCESS SURPLUS CALCULATION (Continued)

**SECTION 2**

Restricted Fund Balance – Excess Surplus [(U1)-(M)] \$ 4,820,080 (E)

Recapitulation of Excess Surplus as of June 30, 2021

Reserved Excess Surplus – Designated for Subsequent Year’s Expenditures	\$ _____ - (C3)
Reserved Excess Surplus [(E)]	\$ <u>4,820,080</u> (E)
Total Excess Surplus [(C3) + (E)]	\$ <u>4,820,080</u>