

**ROSEVILLE COMMUNITY  
CHARTER SCHOOL  
AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS  
FINANCIAL COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL PERIOD ENDED JUNE 30, 2021**

**XI. AUDITORS MANAGEMENT REPORT ON ADMINISTRATION FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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**REPORT OF INDEPENDENT AUDITORS**

The Honorable Chairman and  
Members of the Board of Trustees  
Roseville Community Charter School  
County of Essex  
Newark, New Jersey

I have audited, in accordance with generally accepted audit standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Trustees of the Roseville Community Charter School, in the County of Essex, for the year ended June 30, 2021 and have issued my report thereon dated March 11, 2022.

As part of my audit, I 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 Roseville Community 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.

Licensed Public School Accountant No. 20CS00206400



Gerald D. Longo  
Certified Public Accountant  
March 11, 2022

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

**GENERAL COMMENTS**

**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, and the records of the various funds under the auspices of the Board of Trustees.

**Administrative Practices and Procedures**

Insurance

Insurance coverage was carried in various amounts as detailed on Exhibit J-20, Insurance Schedule contained in the Charter School's ACFR.

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)

| <u>Position</u>  | <u>Amount</u> |
|--|---------------|
| Board Secretary/School Business Administrator, Treasurer | \$160,000     |

**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.

Payroll Accounts

The net salaries of all employees of the School were deposited in the Payroll Account. Employees payroll deductions and employees share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the President of the Board and the Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefit withholding 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 issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No exceptions were noted during my review.

### Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with the *N.J.A.C. 6A:23A-16.2(f)* as part of my test of transactions of randomly selected expenditure items. I also reviewed the coding of all expenditures included in my compliance and single audit testing procedures, if applicable. In addition to randomly selecting a test sample, my sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. Overall compliance was noted.

**a) General Classification Findings**

No exceptions or discrepancies were noted in the general classification of expenditures.

**b) Administrative Classification Findings**

No exceptions or discrepancies were noted in the administrative classification of expenditures.

### Board Secretary's Records

In planning and performing my audit of the financial statements of the Charter School, I considered the condition of the Board Secretary's records for the purpose of expressing my opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, I have no comments.

### Treasurer's Records

In planning and performing my audit of the financial statements of the Charter School, I considered the condition of the Treasurer's Records for the purpose of expressing my opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, I have no comments.

### Elementary and Secondary Education Act (E.S.E.A.) as amended by 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 the various applicable programs of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated no areas of non compliance and/or questionable costs.

### Other Special Federal and/or State Projects

The school's other Special and/or State Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

My 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.

The study of compliance for the special projects indicated no areas of non compliance.

#### T.P.A.F. Reimbursement

My audit procedures included a test of the biweekly reimbursements filed with the Department of Education for the Roseville Community Charter School employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

#### T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report 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 expenditure was reviewed subsequent to the reimbursement. No exceptions were noted.

#### School Purchasing Programs

##### Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general is available on the NJ Local Agency Procurement Laws webpage: <https://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>.

Current statute is posted on the New Jersey Legislature (<http://www.njleg.state.nj.us/>) website.

Auditors should refer to Section I, Chapter 5, Bids & Contracts/Purchasing for highlights of N.J.S.A. 18A:18A-3 and 4.

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (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 2020-21.

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Charter School to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this chapter or specifically by any other law.

The Charter School has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal 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.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing 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.

The results of my examination indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 18A:18A-4, amended.

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 did not provide for an accumulation of purchases for which the Charter School 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. My audit did reveal however, that the Charter School did make purchases under State contracts and cooperative purchasing agreements.

### **SCHOOL FOOD SERVICE**

#### Public Health Emergency

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency 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 eligible students during the period of school closures.

During SY 2020-2021 the public health emergency was still applicable. As a result, School Food Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) option.

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 all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

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 students during the emergency.

The school food service program was not selected as a major federal and/or State program and the program expenditures did not exceed \$100,000 in federal and/or State support.

### **Enrollment Counts and Submissions to the Department**

My audit procedures included a test for information reported on October 15, 2020, and the last day of school for on-roll, special education, bilingual and low-income. No exceptions were noted.

The Charter School maintained work papers on the prescribed state forms or their equivalent. In addition, the Charter School maintained written procedures that appear to be adequate for the recording of student enrollment data.

**Facilities and Capital Assets**

A review of the capital assets were performed and no exceptions were noted.

**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.

The Charter 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*, my procedures included a review of the prior year audit recommendations. There were no prior year findings.



## ACKNOWLEDGEMENT

I received the complete cooperation of all the officials of the school and I greatly appreciate the courtesies extended to me.

Respectfully submitted,

A handwritten signature in black ink, reading "Gerald D. Longo". The signature is written in a cursive style with a large initial "G" and "L".

Gerald D. Longo  
Certified Public Accountant  
Licensed Public School Accountant No. 20CS00206400

ROSEVILLE COMMUNITY CHARTER SCHOOL  
 APPLICATION FOR CHARTER SCHOOL AID  
 ENROLLMENT COUNT AS OF OCTOBER 15, 2020

| Grades           | <u>1</u>                                 |                           | <u>2</u> |                                       | <u>2a</u>                             |          | <u>2b</u>                   |          | <u>2c</u>   |                           | <u>3</u> |                                     |          | <u>3a</u>     |                           | <u>3b</u> |  | <u>4</u> |  | <u>4a</u> |  |
|------------------|--|---------------------------|----------|---------------------------------------|---------------------------------------|----------|-----------------------------|----------|---|---------------------------|----------|-------------------------------------|----------|---------------|---------------------------|-----------|--|----------|--|-----------|--|
|                  | Submission to<br>DOE reported<br>On Roll | Reported on<br>workpapers | Errors   | 50% Verification<br>required 10/15/19 | Verified signed<br>registration forms | Errors   | Verified #<br>days enrolled | Errors   | Submission to<br>DOE Reported<br>Special Ed/<br>Bilingual | Verified<br>documentation | Errors   | Verified # days<br>Service Provided | Errors   | Low<br>Income | Verified<br>documentation | Errors    |  |          |  |           |  |
| Pre Kindergarten |  |                           |          |                                       |                                       |          |                             |          |   |                           |          |                                     |          |               |                           |           |  |          |  |           |  |
| Kindergarten     | 65                                       | 32                        | 0        | 26                                    | 26                                    | 0        | 26                          | 0        | 0   | 0                         | 0        | 0                                   | 0        | 32            | 32                        | 0         |  |          |  |           |  |
| One              | 54                                       | 27                        | 0        | 28                                    | 28                                    | 0        | 28                          | 0        | 0   | 0                         | 0        | 0                                   | 0        | 26            | 26                        | 0         |  |          |  |           |  |
| Two              | 47                                       | 24                        | 0        | 27                                    | 27                                    | 0        | 27                          | 0        | 0   | 0                         | 0        | 0                                   | 0        | 22            | 22                        | 0         |  |          |  |           |  |
| Three            | 56                                       | 28                        | 0        | 28                                    | 28                                    | 0        | 28                          | 0        | 5   | 5                         | 0        | 5                                   | 0        | 28            | 28                        | 0         |  |          |  |           |  |
| Four             | 59                                       | 29                        | 0        | 27                                    | 27                                    | 0        | 27                          | 0        | 6   | 6                         | 0        | 6                                   | 0        | 29            | 29                        | 0         |  |          |  |           |  |
| Five             |  |                           |          |                                       |                                       |          |                             |          |   |                           |          |                                     |          |               |                           |           |  |          |  |           |  |
| Six              |  |                           |          |                                       |                                       |          |                             |          |   |                           |          |                                     |          |               |                           |           |  |          |  |           |  |
| Seven            |  |                           |          |                                       |                                       |          |                             |          |   |                           |          |                                     |          |               |                           |           |  |          |  |           |  |
| Eight            |  |                           |          |                                       |                                       |          |                             |          |   |                           |          |                                     |          |               |                           |           |  |          |  |           |  |
| Nine             |  |                           |          |                                       |                                       |          |                             |          |   |                           |          |                                     |          |               |                           |           |  |          |  |           |  |
| Ten              |  |                           |          |                                       |                                       |          |                             |          |   |                           |          |                                     |          |               |                           |           |  |          |  |           |  |
| Eleven           |  |                           |          |                                       |                                       |          |                             |          |   |                           |          |                                     |          |               |                           |           |  |          |  |           |  |
| Twelve           |  |                           |          |                                       |                                       |          |                             |          |   |                           |          |                                     |          |               |                           |           |  |          |  |           |  |
| <b>Total</b>     | <b>281</b>                               | <b>140</b>                | <b>0</b> | <b>136</b>                            | <b>136</b>                            | <b>0</b> | <b>136</b>                  | <b>0</b> | <b>11</b>   | <b>11</b>                 | <b>0</b> | <b>11</b>                           | <b>0</b> | <b>137</b>    | <b>137</b>                | <b>0</b>  |  |          |  |           |  |
| Percentage       |  |                           | 0.0%     |                                       |                                       | 0%       |                             | 0%       |   |                           | 0%       |                                     | 0%       |               |                           | 0%        |  |          |  |           |  |

ROSEVILLE COMMUNITY CHARTER SCHOOL  
 APPLICATION FOR CHARTER SCHOOL AID  
 ENROLLMENT COUNT AS OF THE LAST DAY OF SCHOOL

| Grades           | <u>1</u>                                 |  | <u>2</u>                  |          | <u>2a</u>                            |                                       | <u>2b</u> |                             | <u>2c</u> |   | <u>3</u>                  |          |                                     | <u>3a</u> |               | <u>3b</u>                 |          | <u>4</u> |  | <u>4a</u> |    |
|------------------|--|--|---------------------------|----------|--------------------------------------|---------------------------------------|-----------|-----------------------------|-----------|---|---------------------------|----------|-------------------------------------|-----------|---------------|---------------------------|----------|----------|--|-----------|----|
|                  | Submission to<br>DOE reported<br>On Roll |  | Reported on<br>workpapers | Errors   | 50% Verification<br>required 6/30/20 | Verified signed<br>registration forms | Errors    | Verified #<br>days enrolled | Errors    | Submission to<br>DOE Reported<br>Special Ed/<br>Bilingual | Verified<br>documentation | Errors   | Verified # days<br>Service Provided | Errors    | Low<br>Income | Verified<br>documentation | Errors   |          |  |           |    |
| Pre Kindergarten |  |  |                           |          |                                      |                                       |           |                             |           |   |                           |          |                                     |           |               |                           |          |          |  |           |    |
| Kindergarten     | 65                                       |  | 33                        | 0        | 39                                   | 39                                    | 0         | 39                          | 0         | 0   | 0                         | 0        | 0                                   | 0         | 33            | 33                        | 0        |          |  |           |    |
| One              | 54                                       |  | 27                        | 0        | 26                                   | 26                                    | 0         | 26                          | 0         | 0   | 0                         | 0        | 0                                   | 0         | 25            | 25                        | 0        |          |  |           |    |
| Two              | 47                                       |  | 23                        | 0        | 20                                   | 20                                    | 0         | 20                          | 0         | 0   | 0                         | 0        | 0                                   | 0         | 21            | 21                        | 0        |          |  |           |    |
| Three            | 56                                       |  | 28                        | 0        | 28                                   | 28                                    | 0         | 28                          | 0         | 4   | 4                         | 0        | 4                                   | 0         | 28            | 28                        | 0        |          |  |           |    |
| Four             | 59                                       |  | 30                        | 0        | 32                                   | 32                                    | 0         | 32                          | 0         | 6   | 6                         | 0        | 6                                   | 0         | 30            | 30                        | 0        |          |  |           |    |
| Five             |  |  |                           |          |                                      |                                       |           |                             |           |   |                           |          |                                     |           |               |                           |          |          |  |           |    |
| Six              |  |  |                           |          |                                      |                                       |           |                             |           |   |                           |          |                                     |           |               |                           |          |          |  |           |    |
| Seven            |  |  |                           |          |                                      |                                       |           |                             |           |   |                           |          |                                     |           |               |                           |          |          |  |           |    |
| Eight            |  |  |                           |          |                                      |                                       |           |                             |           |   |                           |          |                                     |           |               |                           |          |          |  |           |    |
| Nine             |  |  |                           |          |                                      |                                       |           |                             |           |   |                           |          |                                     |           |               |                           |          |          |  |           |    |
| Ten              |  |  |                           |          |                                      |                                       |           |                             |           |   |                           |          |                                     |           |               |                           |          |          |  |           |    |
| Eleven           |  |  |                           |          |                                      |                                       |           |                             |           |   |                           |          |                                     |           |               |                           |          |          |  |           |    |
| Twelve           |  |  |                           |          |                                      |                                       |           |                             |           |   |                           |          |                                     |           |               |                           |          |          |  |           |    |
| <b>Total</b>     | <b>281</b>                               |  | <b>141</b>                | <b>0</b> | <b>145</b>                           | <b>145</b>                            | <b>0</b>  | <b>145</b>                  | <b>0</b>  | <b>10</b>   | <b>10</b>                 | <b>0</b> | <b>10</b>                           | <b>0</b>  | <b>137</b>    | <b>137</b>                | <b>0</b> |          |  |           |    |
| Percentage       |  |  |                           | 0.0%     |                                      |                                       | 0%        |                             | 0%        |   |                           | 0%       |                                     | 0%        |               |                           | 0%       |          |  |           | 0% |

**ROSEVILLE COMMUNITY CHARTER SCHOOL CHARTER SCHOOL  
NET CASH RESOURCE SCHEDULE  
Net cash resources did/did not exceed three months of expenditures  
Proprietary Funds - Food Service  
FYE June 30, 2021**

**NOT APPLICABLE**

**ROSEVILLE COMMUNITY CHARTER SCHOOL  
AUDIT SYNOPSIS RECOMMENDATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

It is recommended that:

1. Administrative Practices and Procedures  
None
2. Financial Planning, Accounting and Reporting  
None
3. School Purchasing Program  
None
4. School Food Service  
None
5. Student Body Activities  
None
6. Charter School Enrollment System  
None
7. Miscellaneous  
None
8. Facilities and Capital Assets  
None
9. Status of Prior Year's Findings Recommendations  
Not Applicable