

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

**FINANCIAL, COMPLIANCE AND  
PERFORMANCE**

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

**JUNE 30, 2021**

**GALLEROS ROBINSON  
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

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

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## 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, 2021, and have issued our report thereon dated January 26, 2022.

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 26, 2022  
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 2021-001\****

The Charter School official did not have the required surety bond of \$160,000 for its School Business Administrator 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 2021-002\****

In our review of claims, we noted the following:

- One (1) claim does not have signed vendor certification.
- One (1) claim does not have supporting invoice.
- One (1) claim does not have approved purchase order.

***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 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 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 purchase orders was made as of June 30, 2021, for proper classification of purchase orders as Reserved for Encumbrances or Accounts Payable. No exception was noted in this area.

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*.

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

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

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

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(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 single audit testing procedures.

In addition, we randomly selected a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of 1.90 percent overall was noted, and no additional procedures were deemed necessary to test the propriety of expenditure 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 2021-003\****

Four (4) Board Secretary's monthly reports and five (5) bank account reconciliation reports were not timely presented to the board as prescribed (N.J.S.A.18A:17-9 and 18A:17-36).

***Recommendation***

The monthly financial reports should be presented timely 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.

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 expenditure was reviewed subsequent to the reimbursement and or state that no exceptions were noted.

**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 \$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.

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.

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. 18A:18A-5.

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

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

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

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 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 and program expenditures is below \$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.

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.

Non-program foods were not purchased, prepared, sold, or offered for sale, comment in kind.

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.



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

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

**School Food Service - Continued**

***Finding 2021-004***

During the audit, we noted that the Charter School did not send out to students the required Household Information Surveys as a Community Eligibility Provision (CEP) School.

***Recommendation***

The Charter School must comply with the requirements of the Department of Agriculture as a CEP school.

**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 2021-005\****

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

- a. There were 21 student files that were not on file.
- b. There were 14 students with no birth certificate on file..
- c. There were seven (7) students with only one proof of address.
- d. There were seven (7) students with no proof of address on file.
- e. There were two (2) students with incorrect date of birth.
- f. Household survey forms were not issued to all students.
- g. There were seven (7) Special Education students that did not include parent's signature
- h. There were five (5) Special Education students that did not have an IEP effective October 15, 2020.
- i. Four (4) students had ADE of 1.0 in CHE but only 0.2 per student records.

***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, 2021 were accounted for. No exceptions were noted in this area.

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

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

**Facilities and Capital Assets**

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

**Miscellaneous**

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,



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



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Galleros Robinson CPAs, LLP  
Certified Public Accountants

January 26, 2022  
Cream Ridge, New Jersey

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

Grades	Submission to DOE reported On			50% Verification required 10/15/20	Verified signed registration forms			Verified # days enrolled			Submission to DOE Reported Special Ed/Bilingual			Verified documentation			Verified # days Service Provided			Low Income	Verified documentation	
	Roll	workpapers	Errors		Errors	Errors	Errors	Ed/Bilingual	documentation	Errors	Service Provided	Errors	Income	documentation	Errors							
Kindergarten	33	33	-	17	15	2	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
First	56	56	-	28	27	1	28	-	1	-	1	1	-	1	-	2	-	1	-	1	-	1
Second	57	57	-	29	27	2	29	-	5	4	1	5	-	5	-	21	-	10	-	11	-	11
Third	73	73	-	37	33	4	37	-	9	7	2	9	-	9	-	40	-	16	-	24	-	24
Fourth	58	58	-	29	24	5	29	-	8	8	-	8	-	8	-	24	-	9	-	15	-	15
Sixth	32	32	-	16	13	3	16	-	5	4	1	5	-	5	-	-	-	-	-	-	-	-
Seventh	65	65	-	33	29	4	33	-	5	5	-	5	-	5	-	31	-	19	-	12	-	12
<b>Total</b>	<b>374</b>	<b>374</b>	<b>-</b>	<b>189</b>	<b>168</b>	<b>21</b>	<b>189</b>	<b>-</b>	<b>33</b>	<b>28</b>	<b>5</b>	<b>33</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>118</b>	<b>-</b>	<b>55</b>	<b>-</b>	<b>63</b>	<b>-</b>	<b>63</b>
Percentage			0%			11%		0%			15%		0%									53%



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

**EXCESS SURPLUS CALCULATION**

June 30, 2021

**SECTION 1**

**A. 4% Calculation of Excess Surplus**

2020-21 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ 4,086,755 (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	\$ 112,195 (B2a)
Assets Acquired Under Capital Leases	\$ _____ - (B2b)
Adjusted 2020-21 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ 3,974,560 (B3)
2% of Adjusted 2020-21 General Fund Expenditures [(B3) times .02]	\$ 158,982 (B4)
Enter Greater of (B4) or \$250,000	\$ 250,000 (B5)
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 CAFR Budgetary Comparison Schedule C-1)	\$ 815,739 (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)]	\$ 815,739 (U1)
Excess Surplus (Deficiency) at June 30, 2021	\$ 565,739

**SECTION 3**

Restricted Fund Balance – Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$ _____ - (E)
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**Recapitulation of Excess Surplus as of June 30, 2021**

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

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**

**FOR THE YEAR ENDED JUNE 30, 2021**

**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. 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).

**III. School Purchasing Programs**

There are none.

**IV. School Food Service**

4. The Charter School must comply with the requirements of the Department of Agriculture as a CEP school to annually issue Household Information Surveys to students.

**V. Student Body Activities**

There are none.

**VI. Application for State School Aid**

N/A.

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

5. 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.

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

**AUDIT RECOMMENDATION SUMMARY - CONTINUED**

**FOR THE YEAR ENDED JUNE 30, 2021**

**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.