

***CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL***

***AUDITOR'S MANAGEMENT REPORT***

***FISCAL YEAR ENDED JUNE 30, 2022***

***Barre & Company LLC***  
***Certified Public Accountants & Consultants***

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**

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

**Table of Contents**

	<u>Page No.</u>
Report of Independent Auditors .....	1
Scope of Audit.....	2
Administrative Practices and Procedures.....	2
Insurance.....	2
Official Bonds .....	2
Tuition Charges .....	2
Financial Planning, Accounting and Reporting.....	2
Examination of Claims.....	2
Payroll Account and Position Control Roster.....	2
Reserve for Encumbrances and Accounts Payable.....	3
Classification of Expenditures.....	3
▪    General Classifications .....	3
▪    Administrative Classifications.....	3
Board Secretary's Records.....	3
Treasurer's Records (if the charter school has a treasurer).*	3
Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001.....	3
Other Special Federal and/or State Projects .....	4
T.P.A.F. Reimbursement .....	4
School Purchasing Programs.....	4
Contracts and Agreements Requiring Advertisement for Bids.....	4
School Food Service .....	5
Student Body Activities.....	6
Enrollment Counts and Submissions to the Department.....	7
Pupil Transportation .....	N/A
Facilities and Capital Assets .....	7
Miscellaneous .....	N/A
Follow-up on Prior Year Findings .....	7
Acknowledgment.....	7
Schedule of Meal Count Activity.....	8
Schedule of Audited Enrollments .....	10
Excess Surplus Calculation.....	N/A
Audit Recommendations Summary.....	12

**BARRE & COMPANY LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

*2204 Morris Avenue, Suite 206*  
*Union, New Jersey 07083*  
*(908) 686-3484*  
*FAX – (908) 686-6055*

**Report of Independent Auditors**


Honorable President and  
Members of the Board of Trustees  
Central Jersey College Prep Charter School  
County of Somerset, New Jersey

We 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 Central Jersey College Prep Charter School in the County of Somerset for the year ended June 30, 2022, and have issued our report thereon dated March 29, 2023.

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

This report is intended for the information of the Central Jersey College Prep 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.

  
BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountants

  
Richard M. Barre  
Public School Accountant  
PSA Number CS-O1181

March 29, 2023

## **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, 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 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, 18A:13-13)

<u>Position</u>	<u>Amount</u>
Board Secretary	\$180,000.00
Treasurer	\$200,000.00

Adequate coverage is in effect with a duly authorized insurance company to cover all employees in connection with the faithful performance of their duties.

#### Tuition Charges

A review of financial statements indicated that the Charter School charged no tuition for any student attending the Charter School and all proceeds for a before/after school program were accounted for in an Enterprise Fund.

### **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 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 Charter School and were certified by the President of the Board, the Board Secretary/Business Administrator, and the Chief School Administrator.

## **Administrative Findings – Financial, Compliance and Performance**

### Financial Planning, Accounting and Reporting (Continued)

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

Payrolls were delivered to the treasurer of school moneys with a warrant made to his order for the full amount of each payroll.

### 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 our review.

### 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 the all expenditures included in our compliance and 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. 6A:23A-8.3*. As a result of the procedures performed, a transaction error rate of 1.90% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

#### **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

Our review of the financial and accounting records maintained by the business office disclosed no exceptions or discrepancies.

### Treasurer's Records

There were no items noted during our review of the records of the Treasurer.

### Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001

The E.S.E.A./NCLB 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.

## **Administrative Findings – Financial, Compliance and Performance**

### Financial Planning, Accounting and Reporting (Continued)

The study of compliance for E.S.E.A. did not indicate any areas of noncompliance and/or questionable cost.

### Other Special Federal and/or State Projects

The Charter School's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis, indicated the 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.

The study of compliance for the special projects did not indicate any areas of noncompliance.

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

Our audit procedures included a test of the biweekly reimbursements (electronic, but Charter Schools can print out the DOENET screen for an auditor) filed with the Department of Education for Charter School employees who are members of the Teacher's Pension and Annuity Fund. 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 (as of June 2007) is available on the website: <http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>.

Current statute is posted on the New Jersey Legislature website at:  
[http://lis.njleg.state.nj.us/cgi-bin/om\\_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC\\_Frame\\_Pg42](http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC_Frame_Pg42)

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

Effective July 1, 2010 and thereafter, 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 \$20,200.

## **Administrative Findings – Financial, Compliance and Performance**

### **School Purchasing Programs (Continued)**

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 my examination, I 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 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*.

### **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. Governor Murphy's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

During SY 2021-2022 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 could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

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 selected as a major federal program. The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis. The charter school utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A. 18A:17- 34*, and 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable Fixed Price or Non Competitive Emergency Procurement contract/addendum were reviewed and audited.

## **Administrative Findings – Financial, Compliance and Performance**

### **School Food Service (Continued)**

All vendor discounts, rebates, and credits from vendors and/or the FSMC were June 30, 2022 tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually. Expenditures should be separately recorded as food, labor and other costs.

Vendor invoices were reviewed, and costs verified. The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements. Net cash resources did exceed three months average expenditures. The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were certified in a timely manner. Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

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.

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

No Exceptions Noted.

### **After Care**

The Charter School maintained an After Care program through its Enterprise Account, whereby the school provided supervisory services after school hours, for its students and their families. As per the prior year, while a separate bank account is not required for this operation, it has been recommended that the receipts and disbursements related to this business operation be separated out from the other Enterprise Programs, on all appropriate reports and statements. This has been effectively carried out by the "52" prefix designation, for all accounts pertaining to the After Care Program.



## **Administrative Findings – Financial, Compliance and Performance**

There were no exceptions noted in the After Care Program operation.

### **Student Body Activities**

During our review of the student activity funds, there were no items noted.

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

Our audit procedures included a test of enrollment information reported on October 15, 2021 and the last day of school for on-roll, special education, bilingual and low-income.

### **Facilities and Capital Assets**

Our procedures included a review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

### **Follow-up on Prior Year Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. There were no prior year findings or recommendations; therefore, no corrective action was necessitated.

### **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 the audit team.

School Food Service

**SCHEDULE OF MEAL COUNT ACTIVITY**  
**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
**FOOD SERVICE FUND**  
**NUMBER FOR MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL**  
**ENTERPRISE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Program	Meal Category	Meals Claimed	Meals Tested	Meals Verified	Difference	Rate	(Over) Under Claim
Seamless Summer Option (SOS)							
Lunch	Free	189,309	124,944	124,944	-	3.51	\$ -
Breakfast	Free	69,400	45,804	45,804	-	1.89	-
		-	-	-	-		-
	TOTAL	<u>258,709</u>	<u>170,748</u>	<u>170,748</u>	<u>-</u>		<u>\$ -</u>
TOTAL NET							
OVERCLAIM							<u><u>\$ -</u></u>

School Food Service

**SCHEDULE OF MEAL COUNT ACTIVITY**  
**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL**  
**FOOD SERVICE FUND**  
**NUMBER FOR MEALS SERVED AND (OVER) UNDERCLAIM - STATE**  
**ENTERPRISE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over) Under Claim</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid		-	-	-		\$ -
	Reduced		-	-	-		-
	Free	40,057	2,003	2,003	-	0.255	-
	TOTAL	<u>40,057</u>	<u>2,003</u>	<u>2,003</u>	<u>-</u>		<u>-</u>
TOTAL NET OVERCLAIM							<u><u>\$ -</u></u>

**SCHEDULE OF AUDITED ENROLLMENTS**

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
APPLICATION FOR CHARTER SCHOOL AID  
ENROLLMENT COUNT AS OF OCTOBER 15, 2021**

Grades	Submission to										Sample									
	DOE Reported on Roll	Reported on Workpapers	Verified Signed Registration Forms	Errors	Verified # Days Enrolled	Errors	Special Ed/ Bilingual	Verified Documentation	Errors	Verified # of Days Service Provided	Errors	Low Income	Verified Documentation	Errors						
Kindergarten	80	40	40		40		1	1		1		7	7							
One	99	50	50		50		3	3		3		7	7							
Two	100	50	50		50		3	3		3		6	6							
Three	100	50	50		50		10	10		10		5	5							
Four	90	45	45		45		9	9		9		4	4							
Five	90	45	45		45		7	7		7		3	3							
Six	130	65	65		65		10	10		10		11	11							
Seven	167	84	84		84		12	12		12		13	13							
Eight	150	75	75		75		15	15		15		6	6							
Nine	108	54	54		54		14	14		14		8	8							
Ten	80	40	40		40		6	6		6		10	10							
Eleven	41	21	21		21		1	1		1		5	5							
Twelve	42	21	21		21		3	3		3		5	5							
<b>Totals</b>	<b>1,277</b>	<b>639</b>	<b>639</b>	<b>-</b>	<b>639</b>	<b>-</b>	<b>94</b>	<b>94</b>	<b>-</b>	<b>94</b>	<b>-</b>	<b>90</b>	<b>90</b>	<b>-</b>						
Percentage				0.00%		0.00%			0.00%		0.00%			0.00%						

**SCHEDULE OF AUDITED ENROLLMENTS**

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL  
APPLICATION FOR CHARTER SCHOOL AID  
ENROLLMENT COUNT AS OF LAST DAY OF SCHOOL YEAR 2022**

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 # of Days Service Provided	Errors	Low Income	Verified Documentation	Errors
Kindergarten	74	37	37		37		-	-				20	20	
One	100	50	50		50		13	13		13		11	11	
Two	95	48	48		48		3	3		3		15	15	
Three	99	50	50		50		10	10		10		12	12	
Four	88	44	44		44		8	8		8		11	11	
Five	87	44	43	1	43	1	7	7		7		7	7	
Six	129	65	65		65		10	10		10		13	13	
Seven	168	84	84		84		12	12		12		29	29	
Eight	146	73	73		73		15	15		15		31	31	
Nine	106	53	53		53		13	13		13		29	29	
Ten	74	37	37		37		6	6		6		18	18	
Eleven	41	21	21		21		1	1		1		9	9	
Twelve	42	21	21		21		3	3		3		17	17	
<b>Totals</b>	<b>1,249</b>	<b>625</b>	<b>624</b>	<b>-</b>	<b>624</b>	<b>1</b>	<b>101</b>	<b>101</b>	<b>-</b>	<b>101</b>	<b>-</b>	<b>222</b>	<b>222</b>	<b>-</b>
Percentage				0.00%		0.16%			0.00%		0.00%			0.00%

## AUDIT RECOMMENDATIONS SUMMARY

For the Fiscal Year ended June 30, 2022

### Findings and Recommendations:

1. Administrative Practices and Procedures

NONE

2. Financial Planning, Accounting and Reporting

NONE

3. School Purchasing Programs

NONE

4. School Food Service

NONE

5. Student Body Activities

NONE

6. Application for State School Aid/Charter School Enrollment System/Charter School Aid

NONE

7. Pupil Transportation

NONE

8. Facilities and Capital Assets

NONE

9. Miscellaneous

NONE

10. Status of Prior Year Audit Findings/Recommendations

NONE