

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

**FINANCIAL, COMPLIANCE AND
PERFORMANCE**

**MARION P. THOMAS CHARTER SCHOOLS
COUNTY OF ESSEX, NEW JERSEY**

JUNE 30, 2022

**GALLEROS ROBINSON
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

**MARION P. THOMAS CHARTER SCHOOLS
COUNTY OF ESSEX, NEW JERSEY**

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INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of Board of Trustees
Marion P. Thomas Charter Schools
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 Marion P. Thomas Charter Schools (the "Charter School" or "MPTCS") in the County of Essex, State of New Jersey for the year ended June 30, 2022, and have issued our report thereon dated March 15, 2023.

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

March 15, 2023
Cream Ridge, New Jersey

**MARION P. THOMAS CHARTER SCHOOLS
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 Marion P. Thomas Charter Schools (the "Charter School"), 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 ACFR.

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

| <u>Name</u> | <u>Position</u> | <u>Amount</u> |
|----------------------|-------------------------------|---------------|
| Christopher Lessard | School Business Administrator | \$500,000 |
| Vincent M. Rouse Sr. | Board Chair | \$500,000 |
| Angela Mincy | Chief School Administrator | \$500,000 |

Adequate insurance is in effect with a duly licensed and authorized insurance company for all employees for the faithful performance of their duties.

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness. However, in accordance with the bill amendment on June 2021, Chapter 44 is only applicable to Charter Schools that has a collective bargaining agreement. Achieve Community Charter School do not have a collective bargaining agreement, this this provision is not applicable.

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.

**MARION P. THOMAS CHARTER SCHOOLS
COUNTY OF ESSEX, NEW JERSEY**

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

Financial Planning, Accounting, and Reporting - Continued

Examination of Claims - continued

Finding 2022-001(ACFR Finding 2022-001)*

In our review of claims and the related supporting documents, we noted four (4) of 60 claims do not have signed purchase orders.

Recommendation

We recommend that Charter School consistently implement its purchasing procedures and comply with its policies on approvals and documentation for its expenditures. Approved purchase orders must be obtained to ensure availability of funds and compliance with applicable policies and procedures. Also, expenditures should be recorded in the year incurred.

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 and the Chief Executive Officer.

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, 2022, 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 in 2007 as required by *N.J.A.C. 6A:23A A-6.13* and *N.J.S.A. 18A:11-12*. No exception noted.

**MARION P. THOMAS CHARTER SCHOOLS
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 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 percent overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Reports

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.

Finding 2022-002* (ACFR Finding 2022-001)

During our audit we noted the following:

- a. Prior year audit adjustments were not completely recorded in the Charter School's accounting system which resulted to various journal entries to correct beginning balances.
- b. All cash transactions of General Fund and Enterprise Fund are recorded in one General Fund general ledger account even if the general fund has four (4) general ledger cash accounts and the Enterprise Fund has its own cash account (and bank account).
- c. There is only one bank reconciliation for five (5) bank accounts. Four (4) bank accounts for the General Fund and one (1) bank account for the Enterprise Fund.

These issues were mainly due to several transition in the fiscal department during the fiscal year.

Recommendation

In addition, the Charter School should ensure that all transactions are completely recorded in the Charter School's accounting system, including audit adjustments and in the correct period. Also, the Charter School should ensure that all transactions are recorded in the correct cash account and reconciled on a timely basis to each bank account as prescribed (N.J.S.A. 18A:17-9 and 18A:17-36). N.J.S.A 18A:17-9 states that "the chief school administrator or board designee other than the secretary shall prepare the monthly reconciliation of bank account statements and in conjunction with the secretary take any steps necessary to bring the cash record balance and reconciled bank balance into agreement prior to completion of the secretary's monthly report.

**MARION P. THOMAS CHARTER SCHOOLS
COUNTY OF ESSEX, NEW JERSEY**

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

Financial Planning, Accounting, and Reporting - Continued

Elementary and Secondary Education Act (ESEA) as amended by the Every Student Succeeds Act (ESSA)

The ESEA 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 IV 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 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.

Teachers' Pension Annuity Fund (TPAF) 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.

Finding 2022-003 (ACFR Finding 2022-001)

Five months of TPAF-FICA reimbursements (August-December 2021) were not submitted timely; and therefore, denied reimbursements. Approximately \$260,000 of missed revenues.

Recommendation

The Charter School should ensure that TPAF-FICA reimbursements are reviewed and reconciled in a timely manner.

TPAF Reimbursement to State for Federal Salary Expenditures

During the fiscal year, the Charter School did not charge TPAF employees in its federally funded programs, thus, no reimbursement was necessary.

**MARION P. THOMAS CHARTER SCHOOLS
COUNTY OF ESSEX, NEW JERSEY**

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

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 \$20,200 effective 2021-22.

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.

School Food Service

Public Health Emergency

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. 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.

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). 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.

**MARION P. THOMAS CHARTER SCHOOLS
COUNTY OF ESSEX, NEW JERSEY**

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

School Food Service - Continued

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 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. Cash receipts and bank records were reviewed for timely deposit. No exceptions noted.

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 were reviewed and audited. The FSMC contract does not have an operating results provision. All vendor discounts, rebates, and credits from vendors and/or the FSMC were 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. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions noted.

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. No exceptions noted.

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.

The FSMC did not apply for and receive a loan in accordance with the Payroll Protection Plan and did not use the funds to pay for costs applicable to the Food Service Programs.

The net cash resources did not exceed three months average expenditures.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education/board of trustees. No exceptions were noted.

**MARION P. THOMAS CHARTER SCHOOLS
COUNTY OF ESSEX, NEW JERSEY**

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

School Food Service - Continued

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 submitted in a timely manner, except as identified in the findings below.

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. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Non-program foods were not purchased, prepared, sold or offered for sale by the Charter School. Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G of the ACFR.

Finding 2022-004 (ACFR Finding 2022-001 and ACFR Finding 2022-002)

During our audit of the food service program, we noted the following:

- a. Meals served for the months of July-August 2021 of \$82,272 were denied by the NJ Department of Agriculture because it was submitted after the 60-day deadline.
- b. Differences between meals claimed and actual meals served for the months of September 2021, October 2021, November 2021, December 2021, January 2022, February 2022, March 2022, April 2022 and May 2022 which resulted to net underclaim of \$14,976.

Recommendation

We recommend that the Charter School implement its policies and procedures to ensure that the required reports are reviewed and filed timely. We recommend personnel back-up and training to ensure that data requirements and timelines are adhered to.

**MARION P. THOMAS CHARTER SCHOOLS
COUNTY OF ESSEX, NEW JERSEY**

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

Charter School Enrollment System/Charter School Aid

Our audit procedures included tests of information reported on October 15th 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 2022-005*

In our review of student files while performing state enrollment related procedures we noted the following:

- a. There were 13 students classified as a Special Education (SpEd) student in Charter School Enrollment System (CHE) has no Individualized Education Program (IEP) effective as of October 15, 2021, on file.
- b. One (1) student was classified as Speech in CHE but the parent revoked consent per review of the student's file.
- c. There were 42 student files that were not on available for review.
- d. There were five (5) students with no birth certificate on file.
- e. There were five (5) students with no proof of address on file.
- f. There were 35 students with either one (1) or two (2) proof of address only.
- g. There were two (2) students with at least 0.3 ADE difference compared to reported ADE in CHE.
- h. There were 15 students with no lunch application form on file.

Recommendation

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.

Student Body Activities

Student activities during the fiscal year ended June 30, 2022, were accounted for. No exceptions were noted in this area.

Facilities and Capital Assets

The Charter School had engaged an appraisal company to account for its fixed assets for insurance purposes and update its fixed assets records.

**MARION P. THOMAS CHARTER SCHOOLS
COUNTY OF ESSEX, NEW JERSEY**

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

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. 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*, 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

March 15, 2023
Cream Ridge, New Jersey

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

MARION P THOMAS CHARTER SCHOOL

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| PROGRAM | MEAL CATEGORY | GRANT PERIOD | MEALS CLAIMED | MEALS TESTED | MEALS VERIFIED | DIFFERENCE | RATE | (OVER) UNDER CLAIM |
|---|----------------------|-----------------------|------------------|-----------------|-------------------|------------|---------|--------------------------|
| <u>Seamless Summer Option</u> | | | | | | | | |
| National School Lunch (High Rate) | Free | 7/1/2021 - 12/31/2021 | 106,914 | 106,914 | 117,603 | 10,689 | \$ 4.32 | \$ 46,150 |
| National School Lunch (High Rate) | Free | 1/1/2022 - 6/30/2022 | 143,284 | 143,284 | 146,152 | 2,868 | 4.56 | 13,085 |
| | TOTAL | | 250,198 | 250,198 | 263,755 | | | 59,235 |
| <u>Seamless Summer Option</u> | | | | | | | | |
| School Breakfast (Severe Need Rate) | Free | 7/1/2021 - 12/31/2021 | 87,441 | 87,441 | 98,094 | 10,653 | 2.46 | 26,233 |
| School Breakfast (Severe Need Rate) | Free | 1/1/2022 - 6/30/2022 | 110,994 | 110,994 | 110,384 | (610) | 2.61 | (1,589) |
| | TOTAL | | 198,435 | 198,435 | 208,478 | | | 24,644 |
| After School Snacks | Paid | | - | - | - | - | 1.00 | - |
| | Reduced | | - | - | - | - | 1.00 | - |
| | Free (Area Eligible) | | 79,486 | 79,486 | 91,432 | 11,946 | 1.00 | 11,946 |
| | TOTAL | | 79,486 | 79,486 | 91,432 | | | 11,946 |
| Total Net Underclaim (Overclaim) | | | | | | | | \$ 95,825 |

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

MARION P THOMAS CHARTER SCHOOL

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - STATE

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| PROGRAM | MEAL CATEGORY | GRANT PERIOD | MEALS CLAIMED | MEALS TESTED | MEALS VERIFIED | DIFFERENCE | RATE | (OVER) UNDER CLAIM |
|---|------------------|-----------------------|------------------|-----------------|-------------------|------------|---------|--------------------------|
| <u>Seamless Summer Option</u> | | | | | | | | |
| National School Lunch (High Rate) | Free | 7/1/2021 - 12/31/2021 | 106,914 | 106,914 | 117,603 | 10,689 | \$ 0.11 | \$ 1,122 |
| National School Lunch (High Rate) | Free | 1/1/2022 - 6/30/2022 | <u>143,284</u> | <u>143,284</u> | <u>146,152</u> | 2,868 | 0.11 | <u>301</u> |
| | TOTAL | | <u>250,198</u> | <u>250,198</u> | <u>263,755</u> | | | <u>1,423</u> |
| Total Net Underclaim (Overclaim) | | | | | | | | <u>\$ 1,423</u> |

NET CASH RESOURCE SCHEDULE
Proprietary Funds - Food Service
For the year ended June 30, 2022

| | | Food Service | | |
|--|----------------------------|---------------------|-------------------------|------------|
| | | B - 4/5 | | |
| <u>Net Cash Resources:</u> | | | | |
| ACFR | Current Assets | | | |
| B-4 | Cash and cash equivalents | \$ | 65,490 | |
| B-4 | Due from Other Funds | | 258,553 | |
| B-4 | Accounts Receivable | | 156,128 | |
| ACFR | Current Liabilities | | | |
| B-4 | Less Accounts Payable | | - | |
| B-4 | Less Due to Other Funds | | - | |
| | Net Cash Resources | \$ | <u>480,171</u> | (A) |
| <u>Net Adj. Total Operating Expense:</u> | | | | |
| B-5 | Tot. Operating Exp. | \$ | 1,629,597 | |
| B-5 | Less Depreciation | | - | |
| | Adj. Tot. Oper. Exp. | \$ | <u>1,629,597</u> | (B) |
| <u>Average Monthly Operating Expense:</u> | | | | |
| | B / 10 | \$ | <u>162,960</u> | (C) |
| <u>Three times monthly Average:</u> | | | | |
| | 3 X C | \$ | <u>488,880</u> | (D) |

| | | |
|--|-----------|-----------------------|
| Total in Box A | \$ | 480,171 |
| Less: Total in Box D | | <u>(488,880)</u> |
| NET | \$ | <u>(8,709)</u> |
| From above: | | |
| A is greater than D, cash exceeds 3 X average monthly operating expenses. | | |
| D is greater than A, cash does not exceed 3 X average monthly operating expenses. | | |

**MARION P. THOMAS CHARTER SCHOOL
APPLICATION FOR CHARTER SCHOOL AID
ENROLLMENT COUNT AS OF OCTOBER 15, 2021**

| Grades | Submission to DOE reported On Roll | 50% Verification required at 10/15/21 | | | Verified signed registration forms | | | Verified # days enrolled | | Submission to DOE Reported Special | | | Verified # days Service Provided | | Low Income | Verified documentation | |
|------------------|------------------------------------|---------------------------------------|----------|------------|------------------------------------|-----------|------------|--------------------------|------------------|------------------------------------|----------|------------|----------------------------------|---------------|------------|------------------------|--|
| | | Reported on workpapers | Errors | | | Errors | | Errors | Reported Special | Verified documentation | Errors | Provided | Errors | documentation | | Errors | |
| Pre-Kindergarten | 67 | 67 | - | 34 | 33 | 1 | 34 | - | 2 | 2 | - | 2 | - | 15 | 15 | - | |
| Kindergarten | 59 | 59 | - | 30 | 29 | 1 | 30 | - | 1 | 1 | - | 1 | - | 20 | 20 | - | |
| One | 78 | 78 | - | 39 | 39 | - | 39 | - | 1 | - | 1 | - | 1 | 61 | 60 | 1 | |
| Two | 95 | 95 | - | 48 | 48 | - | 48 | - | 1 | 1 | - | 1 | - | 80 | 80 | - | |
| Three | 88 | 88 | - | 43 | 39 | 4 | 43 | - | 10 | 10 | - | 10 | - | 64 | 64 | - | |
| Four | 103 | 103 | - | 51 | 51 | - | 51 | - | 8 | 8 | - | 8 | - | 75 | 74 | 1 | |
| Five | 99 | 99 | - | 50 | 50 | - | 50 | - | 11 | 10 | 1 | 10 | 1 | 67 | 67 | - | |
| Six | 104 | 104 | - | 51 | 51 | - | 51 | - | 7 | 7 | - | 7 | - | 72 | 72 | - | |
| Seven | 97 | 97 | - | 49 | 48 | 1 | 49 | - | 8 | 8 | - | 8 | - | 80 | 80 | - | |
| Eight | 126 | 126 | - | 63 | 63 | - | 63 | - | 15 | 15 | - | 15 | - | 95 | 95 | - | |
| Nine | 127 | 127 | - | 64 | 63 | 1 | 64 | - | 16 | 15 | 1 | 15 | 1 | 76 | 76 | - | |
| Ten | 90 | 90 | - | 45 | 41 | 4 | 45 | - | 14 | 13 | 1 | 13 | 1 | 53 | 52 | 1 | |
| Eleven | 107 | 107 | - | 54 | 54 | - | 55 | (1) | 17 | 16 | 1 | 16 | 1 | 98 | 96 | 2 | |
| Twelve | 122 | 122 | - | 60 | 58 | 2 | 60 | - | 20 | 18 | 2 | 18 | 2 | 94 | 92 | 2 | |
| Total | 1362 | 1,362 | - | 681 | 667 | 14 | 682 | (1) | 131 | 124 | 7 | 124 | 7 | 950 | 943 | 7 | |
| Percentage | | | 0.0% | | | 2% | | 0% | | | 5% | | 6% | | | 1% | |

**MARION P. THOMAS CHARTER SCHOOL
APPLICATION FOR CHARTER SCHOOL AID
ENROLLMENT COUNT AS OF JUNE 30, 2022**

| Grades | Submission to DOE reported | Reported on | | 50% Verification required at | Verified signed registration | Verified # | | Submission to DOE | | | Verified # | | Low | Verified | |
|------------------|-------------------------------|--------------|----------|------------------------------------|------------------------------------|------------|------------------|----------------------|---------------------------|----------|-----------------------------|----------|------------|---------------|----------|
| | On Roll | workpapers | Errors | 6/30/22 | forms | Errors | days enrolled | Ed/Bilingual | Verified documentation | Errors | days Service Provided | Errors | Income | documentation | Errors |
| Pre-Kindergarten | 70 | 70 | - | 35 | 35 | - | 35 | 2 | 2 | - | 2 | - | 15 | 15 | - |
| Kindergarten | 59 | 59 | - | 30 | 28 | 2 | 30 | 1 | 1 | - | 1 | - | 20 | 20 | - |
| One | 76 | 76 | - | 38 | 38 | - | 38 | 1 | 1 | - | 1 | - | 61 | 61 | - |
| Two | 94 | 94 | - | 47 | 47 | - | 47 | 1 | - | 1 | - | 1 | 80 | 80 | - |
| Three | 87 | 87 | - | 43 | 43 | - | 43 | 10 | 10 | - | 10 | - | 64 | 64 | - |
| Four | 100 | 100 | - | 49 | 46 | 3 | 49 | 8 | 8 | - | 8 | - | 75 | 75 | - |
| Five | 94 | 94 | - | 47 | 46 | 1 | 47 | 11 | 11 | - | 11 | - | 67 | 67 | - |
| Six | 108 | 108 | - | 53 | 52 | 1 | 53 | 6 | 6 | - | 6 | - | 72 | 72 | - |
| Seven | 97 | 97 | - | 49 | 48 | 1 | 49 | 8 | 8 | - | 8 | - | 80 | 79 | 1 |
| Eight | 120 | 120 | - | 60 | 60 | - | 60 | 15 | 15 | - | 15 | - | 95 | 95 | - |
| Nine | 126 | 126 | - | 63 | 62 | 1 | 63 | 16 | 15 | 1 | 15 | 1 | 76 | 74 | 2 |
| Ten | 92 | 92 | - | 46 | 42 | 4 | 45 | 14 | 13 | 1 | 13 | 1 | 53 | 53 | - |
| Eleven | 101 | 101 | - | 51 | 51 | - | 51 | 17 | 16 | 1 | 16 | 1 | 98 | 96 | 2 |
| Twelve | 122 | 122 | - | 60 | 59 | 1 | 60 | 20 | 17 | 3 | 17 | 3 | 94 | 93 | 1 |
| Total | 1,346 | 1,346 | - | 671 | 657 | 14 | 670 | 130 | 123 | 7 | 123 | 7 | 950 | 944 | 6 |
| Percentage | | | 0.0% | | | 2% | | | | 5% | | 6% | | | 1% |

MARION P. THOMAS CHARTER SCHOOLS
(COUNTY OF ESSEX, NEW JERSEY)

EXCESS SURPLUS CALCULATION

June 30, 2022

SECTION 1

A. 4% Calculation of Excess Surplus

| | |
|--|--------------------|
| 2021-22 Total General Fund Expenditures per the CAFR, Ex. C-1 | \$ 28,328,820 (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 | \$ 4,276,099 (B2a) |
| Assets Acquired Under Capital Leases | \$ - (B2b) |
| Adjusted 2021-22 General Fund Expenditures [(B)+(B1s)-(B2s)] | \$ 24,052,721 (B3) |
| 4% of Adjusted 2021-22 General Fund Expenditures [(B3) times .02] | \$ 962,109 (B4) |
| Enter Greater of (B4) or \$250,000 | \$ 962,109 (B5) |
| Increased by: Allowable Adjustment * | \$ - (K) |
| Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)] | \$ 962,109 (M) |

SECTION 2

| | |
|--|--------------------|
| Total General Fund - Fund Balances @ 6/30/2022 (Per CAFR Budgetary Comparison Schedule C-1) | \$ 13,831,890 (C) |
| Charter and Renaissance School Project Emergent and Capital Maintenance | |
| 84.365 S365A210030 | \$ - 0 \$ - |
| 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)] | \$ 13,831,890 (U1) |
| Excess Surplus at June 30, 2022 | \$ 12,869,781 |

SECTION 3

| | |
|---|----------|
| Restricted Fund Balance – Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- | \$ - (E) |
|---|----------|

Recapitulation of Excess Surplus as of June 30, 2022

| | |
|---|-----------|
| 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. Accordingly, charter school and renaissance school project auditors are not required to document the calculation of excess surplus.

**MARION P. THOMAS CHARTER SCHOOLS
COUNTY OF ESSEX, NEW JERSEY**

AUDIT RECOMMENDATIONS SUMMARY

YEAR ENDED JUNE 30, 2022

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

1. We recommend that Charter School consistently implement its purchasing procedures and comply with its policies on approvals and documentation for its expenditures. Also, expenditures should be recorded in the year incurred*.
2. In addition, the Charter School should ensure that all transactions are completely recorded in the Charter School's accounting system, including audit adjustments and in the correct period. Also, the Charter School should ensure that all transactions are recorded in the correct cash account and reconciled on a timely basis to each bank account as prescribed (N.J.S.A.18A:17-9 and 18A:17-36). N.J.S.A. 18A:17-9 states that "the chief school administrator or board designee other than the secretary shall prepare the monthly reconciliation of bank account statements and in conjunction with the secretary take any steps necessary to bring the cash record balance and reconciled bank balance into agreement prior to completion of the secretary's monthly report.*"
3. The Charter School should ensure that TPAF-FICA reimbursements are reviewed and reconciled in a timely manner.

III. School Purchasing Programs

There are none.

IV. School Food Service

4. We recommend that the Charter School implement its policies and procedures to ensure that the required reports are reviewed and filed timely. We recommend personnel back-up and training to ensure that data requirements and timelines are adhered to.

V. Student Body Activities

There are none.

VI. Application for State School Aid

N/A.

**MARION P. THOMAS CHARTER SCHOOLS
COUNTY OF ESSEX, NEW JERSEY**

AUDIT RECOMMENDATIONS SUMMARY

YEAR ENDED JUNE 30, 2022

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*.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

There are none.

X. Miscellaneous

There are none.

XI. Status of Prior Year Findings

The prior year recommendation had been addressed through corrective actions with the exception of those that are identified as repeat (*) or partially similar to findings in this year's recommendation.