

CAMDEN PREP, INC.

**AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE YEAR ENDED JUNE 30, 2023**

CAMDEN PREP, INC.

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June 30, 2023

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of Camden Prep, Inc., in the County of Camden, as of and for the year ended June 30, 2023, and have issued our report thereon dated November 30, 2023.

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

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

AAFCPAs, Inc.

Westborough, Massachusetts
November 30, 2023

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

ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

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

ADMINISTRATIVE PRACTICES AND PROCEDURES

Insurance

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

Official Bonds

<u>Name</u>	<u>Position</u>
Raj Taruvai	Director of Accounting

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

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Classification of Expenditures

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

Payroll Account

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

All payrolls were approved by the designee in the Renaissance School and were certified by the President of the Board of Trustees and the School Business Administrator.

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

Reserve for Encumbrances and Accounts Payable

A review of outstanding payables was made as of June 30, 2023, for proper classification of orders for accounts payable. No discrepancies were noted.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)

Board's Secretary Accounting Records

Our review of the financial and accounting records maintained by the Board Secretary disclose the following item:

Finding 2023-01:

Within 60 days of the December month-end, or later upon approval of the executive county superintendent, every school district's board of education and charter school or renaissance school project board of trustees shall provide a copy of the school's business administrator/board secretary's and treasurer's (where the BOE/BOT has elected to maintain the position) monthly financial reports to the executive county superintendent pursuant to N.J.A.C. 6A:23A-16.10(c)(4)(iv). (6A:23A-16.10 Budgetary controls and over expenditure of funds). These reports were submitted after the deadline.

Recommendation:

The Renaissance School should submit the required reports timely.

Management Response:

Efforts will be made to submit the required reports timely.

SCHOOL PURCHASING PROGRAMS

Student Body Activities

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

SCHEDULE OF AUDITED ENROLLMENTS

Enrollment Counts and Submissions to the Department

Our audit procedures included tests of information reported on the October 15, 2022, and the last day of school for on-roll, special education, bilingual, and low-income. We also performed a review of the Renaissance School's procedures related to its completion. The Renaissance School maintained adequate written procedures for the recording of student enrollment data. The results of our procedures are presented in the Schedule of Audit Enrollments. No exceptions noted.

Finding 2023-02

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

Recommendation:

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

Management Response:

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

SCHEDULE OF AUDITED ENROLLMENTS (Continued)

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

As of June 30, 2023, the state has not reimbursed the Renaissance School for Social Security and pension related costs for TPAF employees. Therefore, this is not applicable for fiscal year 2023.

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

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

Other Special Federal and/or State Projects

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

Our audit of the Federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

MISCELLANEOUS

Testing for Lead of All Drinking Water in Educational Facilities

The Renaissance School adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

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

FOLLOW-UP ON PRIOR YEAR FINDINGS

In accordance with *Government Auditing Standards*, our procedures included a review of the prior year findings.

Finding 2022-01

During our testing of Limited English Proficiency (LEP), Special Education (SPED), and Free or Reduced Plan (FRPL) students, we noted that the number of students classified per the NJ Smart report and the Renaissance School's internal tracking report did not agree. Though these discrepancies do not affect the billing for these students, there is a misclassification of students between the reports. This finding is still in process during the fiscal year 2023 audit as it relates to the SPED and the FRPL testing. LEP had no discrepancies during fiscal year 2023.

Finding 2022-02

Within 60 days of the December month-end, or later upon approval of the executive county superintendent, every school district's board of education and charter school or renaissance school project board of trustees shall provide a copy of the school's business administrator/board secretary's and treasurer's (where the BOE/BOT has elected to maintain the position) monthly financial reports to the executive county superintendent pursuant to N.J.A.C. 6A:23A-16.10(c)(4)(iv). (6A:23A-16.10 Budgetary controls and over expenditure of funds). These reports were submitted after the deadline. This finding is still in process during the fiscal year 2023 audit.

ACKNOWLEDGEMENT

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

CAMDEN PREP, INC.
APPLICATION FOR CHARTER SCHOOL AID
ENROLLMENT COUNT AS OF OCTOBER 15, 2021

Grades	Submission to DOE reported On Roll	Sample													
		Reported on workpapers	Verified signed registration forms	Errors	Verified # days enrolled	Errors	Special Ed/ Bilingual	Verified documentation	Errors	Verified # days Service Provided	Errors	Low Income	Verified documentation	Errors	
Kindergarten	105	53	53	0	53	0	2	2	0	2	0	103	103	0	
One	92	46	46	0	46	0	8	8	0	8	0	90	90	0	
Two	100	50	50	0	50	0	9	9	0	9	0	100	100	0	
Three	139	70	70	0	70	0	12	12	0	12	0	140	140	0	
Four	159	80	80	0	80	0	37	37	0	37	0	158	158	0	
Five	136	68	68	0	68	0	22	22	0	22	0	138	138	0	
Six	125	63	63	0	63	0	26	26	0	26	0	124	124	0	
Seven	74	37	37	0	37	0	19	19	0	19	0	73	73	0	
Eight	77	39	39	0	39	0	9	9	0	9	0	78	78	0	
Nine	55	28	28	0	28	0	18	18	0	18	0	61	61	0	
Ten	42	21	21	0	21	0	13	13	0	13	0	55	55	0	
Eleven	105	53	53	0	53	0	9	9	0	9	0	42	42	0	
Total	1209	608	608	0	608	0	184	184	0	184	0	1162	1162	0	
Percentage				0%		0%			0%		0%			0%	

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

Grades	Submission to DOE reported On Roll	Sample													
		Reported on workpapers	Verified signed registration forms	Errors	Verified # days enrolled	Errors	Special Ed/ Bilingual	Verified documentation	Errors	Verified # days Service Provided	Errors	Low Income	Verified documentation	Errors	
Kindergarten	112	56	56	0	56	0	2	2	0	2	0	111	111	0	
One	96	48	48	0	48	0	8	8	0	8	0	95	95	0	
Two	108	54	54	0	54	0	11	11	0	11	0	110	110	0	
Three	146	73	73	0	73	0	12	12	0	12	0	149	149	0	
Four	169	85	85	0	85	0	37	37	0	37	0	173	173	0	
Five	145	73	73	0	73	0	23	23	0	23	0	147	147	0	
Six	131	66	66	0	66	0	28	28	0	28	0	132	132	0	
Seven	83	42	42	0	42	0	22	22	0	22	0	85	85	0	
Eight	85	43	43	0	43	0	9	9	0	9	0	85	85	0	
Nine	83	42	42	0	42	0	21	21	0	21	0	82	82	0	
Ten	64	32	32	0	32	0	15	15	0	15	0	63	63	0	
Eleven	45	23	23	0	23	0	9	9	0	9	0	45	45	0	
Total	1267	637	637	0	637	0	197	197	0	197	0	1277	1277	0	
Percentage				0%		0%			0%		0%			0%	

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

Recommendation:

Finding 2023-02 - Management should ensure all supporting documentation is kept on file.

Finding 2023-01 - The Renaissance School should submit the required reports timely.

3. School Purchasing Program

None

4. School Food Service

Not applicable

5. Student Body Activities

Not applicable

6. Application for State and School Aid

None

7. Pupil Transportation

Not applicable

8. Facilities and Capital Assets

Not applicable

9. Miscellaneous

None

10. Status of Prior Year's Findings and Recommendations

Management should maintain supporting documentation to ensure all students are correctly entered in the NJ Smart and reporting should be filed timely.