

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

AUDITOR'S MANAGEMENT REPORT

FISCAL YEAR ENDED JUNE 30, 2023

Barre & Company LLC
Certified Public Accountants & Consultants

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL

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

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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, 2023, and have issued our report thereon dated December 4, 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

December 4, 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

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, 2023 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.

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

Administrative Findings – Financial, Compliance and Performance

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, 2022 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.

SCHEDULE OF AUDITED ENROLLMENTS

**CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
APPLICATION FOR CHARTER SCHOOL AID
ENROLLMENT COUNT AS OF OCTOBER 15, 2022**

Grades	Submission to DOE Reported on Roll	Sample												Errors	Percentage
		Reported on Workpapers	Verified Signed Registration Forms	Verified # Days Enrolled	Errors	Special Ed/ Bilingual	Verified Documentation	Errors	Verified # of Days Service Provided	Errors	Low Income	Verified Documentation	Errors		
Kindergarten	63	32	32	32	-	-	-	-	-	-	-	-	13	7	6
One	83	42	42	42	5	5	5	5	5	5	5	5	23	7	16
Two	100	50	50	50	10	10	10	10	10	10	10	10	21	6	15
Three	94	47	47	47	14	14	14	14	14	14	14	14	18	5	13
Four	90	45	45	45	13	13	13	13	13	13	13	13	22	4	18
Five	80	40	40	40	10	10	10	10	10	10	10	10	21	3	18
Six	133	67	67	67	10	10	10	10	10	10	10	10	34	11	23
Seven	128	64	64	64	13	13	13	13	13	13	13	13	33	13	20
Eight	157	79	79	79	12	12	12	12	12	12	12	12	53	6	47
Nine	141	71	71	71	12	12	12	12	12	12	12	12	47	8	39
Ten	80	40	40	40	11	11	11	11	11	11	11	11	37	10	27
Eleven	73	37	37	37	6	6	6	6	6	6	6	6	22	5	17
Twelve	41	21	21	21	2	2	2	2	2	2	2	2	11	5	6
Totals	1,263	632	632	632	118	118	118	118	118	118	118	118	355	90	265
Percentage					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			74.65%

SCHEDULE OF AUDITED ENROLLMENTS

CENTRAL JERSEY COLLEGE PREP CHARTER SCHOOL
 APPLICATION FOR CHARTER SCHOOL AID
 ENROLLMENT COUNT AS OF LAST DAY OF SCHOOL YEAR 2023

Grades	Submission to DOE Reported on Roll	Sample										Errors	Percentage			
		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	63	32	32	-	32	-	-	-	-	-	-	-	-	15	15	-
One	82	41	41	5	41	5	5	5	5	5	5	5	5	21	21	21
Two	103	52	52	10	52	10	10	10	10	10	10	10	10	22	22	22
Three	91	46	46	13	46	13	13	13	13	13	13	13	13	16	16	16
Four	95	49	49	13	49	13	13	13	13	13	13	13	13	23	23	23
Five	78	44	44	9	44	9	9	9	9	9	9	9	9	17	17	17
Six	106	53	53	9	53	9	9	9	9	9	9	9	9	24	24	24
Seven	83	42	42	11	42	11	11	11	11	11	11	11	11	17	17	17
Eight	101	51	51	12	51	12	12	12	12	12	12	12	12	28	28	28
Nine	115	58	58	12	58	12	12	12	12	12	12	12	12	35	35	35
Ten	97	49	49	11	49	11	11	11	11	11	11	11	11	33	33	33
Eleven	71	36	36	6	36	6	6	6	6	6	6	6	6	22	22	22
Twelve	41	21	21	2	21	2	2	2	2	2	2	2	2	9	9	9
Totals	1,126	570	570	-	570	-	113	113	113	-	113	113	-	282	282	-
Percentage				0.00%		0.00%				0.00%			0.00%			0.00%

AUDIT RECOMMENDATIONS SUMMARY

For the Fiscal Year ended June 30, 2023

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