

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

**FINANCIAL, COMPLIANCE AND  
PERFORMANCE**

**JERSEY CITY GLOBAL CHARTER SCHOOL  
COUNTY OF HUDSON, NEW JERSEY**

**JUNE 30, 2023**

**GALLEROS ROBINSON  
CERTIFIED PUBLIC ACCOUNTANTS LLP**

**JERSEY CITY GLOBAL CHARTER SCHOOL  
COUNTY OF HUDSON, NEW JERSEY**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable President and  
Members of Board of Trustees  
Jersey City Global Charter School  
County of Hudson, 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 Jersey City Global Charter School (the "Charter School") in the County of Hudson, State of New Jersey for the year ended June 30, 2023, and have issued our report thereon dated March 15, 2024.

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, 2024  
Cream Ridge, New Jersey

**JERSEY CITY GLOBAL CHARTER SCHOOL  
COUNTY OF HUDSON, 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 Jersey City Global 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 ACFR.

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Bima Baje	School Business Administrator	\$200,000

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. Jersey City Global Charter School do not have a collective bargaining agreement thus, 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

**Finding 2023-001\***

Upon examination of claims paid during the period under audit, we noted one purchase order that was signed after the invoice date, which relates to a change order finding in the prior year.

**JERSEY CITY GLOBAL CHARTER SCHOOL  
COUNTY OF HUDSON, NEW JERSEY**

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

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

Examination of Claims - Continued

**Finding 2023-001\* - Continued**

***Recommendation***

The Charter School should consistently implement its policies and procedures on purchasing goods and services. Approved purchase orders must be obtained to ensure availability of funds and compliance with applicable policies and procedures.

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, 2023, 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*.

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.

**JERSEY CITY GLOBAL CHARTER SCHOOL  
COUNTY OF HUDSON, NEW JERSEY**

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

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

Classification of Expenditures - continued

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 minimal transaction error rate 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.

Treasurer's Records

Monthly reports and reconciliation of accounts were prepared and presented to the Board by the School Business Administrator.

Elementary and Secondary Education Act (ESEA) as amended by 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 VI of the ESEA as amended and reauthorized.

**Finding 2023-002**

Salary of one (1) hourly employee charged to Title I was not documented in the Charter School's board meetings.

***Recommendation***

Required documentation for employees, including board-approved salaries documentation, should be kept by the Charter School on file.

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 special projects.

**JERSEY CITY GLOBAL CHARTER SCHOOL  
COUNTY OF HUDSON, NEW JERSEY**

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

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

Teachers' Pension Annuity Fund (TPAF) Reimbursement

Our audit procedures included a test of the bi-weekly reimbursements filed with the Department of Education for Charter School employees who are members of the Teachers' Pension and Annuity Fund. No exceptions noted.

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.

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

**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 for 2022-23.

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.

**JERSEY CITY GLOBAL CHARTER SCHOOL  
COUNTY OF HUDSON, NEW JERSEY**

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

**School Food Service**

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$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.

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

We did note that the School Food Service has continued to incur operating losses. As of June 30, 2023, the accumulated deficit of the Food Service Fund is \$12,003. Increasing the appropriation in the general fund for a budgetary transfer out to the Food Service Fund should be considered during fiscal year 2024 if other revenue sources will not increase.

**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 2023-003\***

In our review of enrollment information as reported in the Charter School Enrollment System ("CHE") and as per school records, we noted the following:

- a. Student files were not available for eight (8) students on record.
- b. Proof of address were not available or incomplete for five (5) students on record.
- c. The proof of address for two (2) students indicated a different district from their enrolled district in CHE.



**JERSEY CITY GLOBAL CHARTER SCHOOL  
COUNTY OF HUDSON, NEW JERSEY**

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

**Charter School Enrollment System/Charter School Aid - continued**

**Finding 2023-003\* - continued**

- d. Two (2) students have incorrect date of birth reported in CHE.
- e. There were eight (8) students classified as “free” in CHE with no lunch application form available for review.
- f. There were four (4) students classified as “free” in CHE but should have been classified as “reduced” based on the completed application and income information on file.
- g. There was one (1) student classified as “denied” in CHE but should have been classified as “reduced” based on the completed application and income information on file.
- h. There were five (5) students classified as “denied” in CHE but should have been classified as “free” based on the completed application and income information on file.
- i. There was one (1) student classified as “reduced” in CHE but should have been classified as “free” based on the completed application and income information on file.
- j. There were 14 students with ADE of 1.0 in CHE but had an actual ADE of 0.5 to 0.7 per the Charter School's attendance register.
- k. There were two (2) Special Education students that did not have an IEP effective October 15, 2022.

***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, 2023 were accounted for. No exceptions were noted in this area.

**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. 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).

**JERSEY CITY GLOBAL CHARTER SCHOOL  
COUNTY OF HUDSON, NEW JERSEY**

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

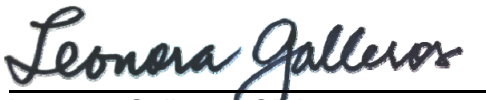
**Follow-up on Prior Year Findings**


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

  
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Galleros Robinson CPAs, LLP  
Certified Public Accountants

March 15, 2024  
Cream Ridge, New Jersey

**JERSEY CITY GLOBAL CHARTER SCHOOL  
APPLICATION FOR CHARTER SCHOOL AID  
ENROLLMENT COUNT AS OF OCTOBER 15, 2022**

Grades	Submission to DOE reported On Roll		50% Verification required 10/15/22					Submission to DOE Reported Special Ed/ Bilingual					Low Income		
	Reported on workpapers	Errors	Verified signed registration forms	Errors	Verified # days enrolled	Errors	Verified documentation	Errors	Verified # days Service Provided	Errors	Income	Verified documentation	Errors		
Kindergarten	64	-	32	8	32	-	-	-	-	-	16	17	(1)		
One	63	-	32	-	32	-	1	1	1	-	10	10	-		
Two	67	-	34	-	34	-	1	1	1	-	18	17	1		
Three	49	-	25	-	25	-	1	1	1	-	17	17	-		
Four	54	-	27	-	27	-	2	1	1	1	19	19	-		
Five	37	-	19	-	19	-	3	3	3	-	16	16	-		
Six	37	-	19	-	19	-	1	1	1	-	21	24	(3)		
Seven	26	-	13	-	13	-	2	2	2	-	14	16	(2)		
Eight	19	-	9	-	9	-	2	1	1	1	9	9	-		
<b>Total</b>	<b>416</b>	<b>-</b>	<b>210</b>	<b>8</b>	<b>210</b>	<b>-</b>	<b>13</b>	<b>11</b>	<b>2</b>	<b>11</b>	<b>140</b>	<b>145</b>	<b>(5)</b>		
Percentage		0.0%		4%		0%			15%		0%		-4%		

**JERSEY CITY GLOBAL CHARTER SCHOOL  
APPLICATION FOR CHARTER SCHOOL AID  
ENROLLMENT COUNT AS OF JUNE 30, 2023**

Grades	Submission to DOE reported On Roll		50% Verification required 6/30/23					Submission to DOE Reported Special Ed/ Bilingual					Low Income		
	Reported on workpapers	Errors	50% Verification required 6/30/23	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
Kinder	64	64	32	24	8	29	3	-	-	-	-	-	16	17	(1)
One	63	63	32	32	-	30	2	1	1	-	1	-	10	10	-
Two	67	67	34	34	-	28	6	1	1	-	1	-	18	17	1
Three	49	49	25	25	-	23	2	1	1	-	1	-	17	17	-
Four	54	54	27	27	-	26	1	2	1	1	1	-	19	19	-
Five	37	37	19	19	-	19	-	3	3	-	3	-	16	16	-
Six	37	37	19	19	-	19	-	1	1	-	1	-	21	24	(3)
Seven	26	26	13	13	-	13	-	2	2	-	2	-	14	16	(2)
Eight	19	19	9	9	-	9	-	2	1	1	1	-	9	9	-
<b>Total</b>	<b>416</b>	<b>416</b>	<b>210</b>	<b>202</b>	<b>8</b>	<b>196</b>	<b>14</b>	<b>13</b>	<b>11</b>	<b>2</b>	<b>11</b>	<b>-</b>	<b>140</b>	<b>145</b>	<b>(5)</b>
Percentage					0.0%		4%		7%		15%		0%		-4%

**JERSEY CITY GLOBAL CHARTER SCHOOL  
(COUNTY OF HUDSON, NEW JERSEY)**

**EXCESS SURPLUS CALCULATION**

June 30, 2023

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

2022-23 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 7,367,506 (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	\$ 912,567 (B2a)
Assets Acquired Under Capital Leases	\$ - (B2b)
Adjusted 2022-23 General Fund Expenditures [(B)+(B1s)-(B2s)]	<u>\$ 6,454,939 (B3)</u>
2% of Adjusted 2022-23 General Fund Expenditures [(B3) times .02]	<u>\$ 129,099 (B4)</u>
Enter Greater of (B4) or \$250,000	<u>\$ 250,000 (B5)</u>
Increased by: Allowable Adjustment *	<u>\$ - (K)</u>
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	<u>\$ 250,000 (M)</u>

**SECTION 2**

Total General Fund - Fund Balances @ 6/30/2023 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 2,371,104 (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)]	<u>\$ 2,371,104 (U1)</u>
Excess Surplus at June 30, 2023	<u>\$ 2,121,104</u>

**SECTION 3**

Restricted Fund Balance – Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-	<u>\$ - (E)</u>
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**Recapitulation of Excess Surplus as of June 30, 2023**

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

Charter schools are not subject to the excess surplus limitations. Accordingly, charter school auditors are not required to document the calculation of excess surplus.

**JERSEY CITY GLOBAL CHARTER SCHOOL  
COUNTY OF HUDSON, NEW JERSEY**

**AUDIT RECOMMENDATIONS SUMMARY**

**FOR THE YEAR ENDED JUNE 30, 2023**

**I. Administrative Practices and Procedures**

There are none.

**II. Financial Planning, Accounting and Reporting**

1. The Charter School should consistently implement its policies and procedures on purchasing goods and services. Approved purchase orders must be obtained to ensure availability of funds and compliance with applicable policies and procedures.\*
2. Required documentation for employees, including board-approved salaries documentation, should be kept by the Charter School on file.\*

**III. School Purchasing Programs**

There are none.

**IV. School Food Service**

There are none.

**V. Student Body Activities**

There are none.

**VI. Application for State School Aid**

Not Applicable.

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

3. 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.\*

**VIII. Pupil Transportation**

Not Applicable.

**JERSEY CITY GLOBAL CHARTER SCHOOL  
COUNTY OF HUDSON, NEW JERSEY**

**AUDIT RECOMMENDATIONS SUMMARY - CONTINUED**

**IX. Facilities and Capital Assets**

There are none.

**X. Miscellaneous**

There are none.

**XI. Status of Prior Year Findings**

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.