

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

**FINANCIAL, COMPLIANCE AND  
PERFORMANCE**

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

**JUNE 30, 2023**

**GALLEROS ROBINSON  
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of Board of Trustees  
Achieve Community Charter School  
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 Achieve Community Charter School (the "Charter School") in the County of Essex, State of New Jersey for the year ended June 30, 2023, and have issued our report thereon dated January 23, 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".

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Leonora Galleros, CPA  
Public School Accountant  
PSA No. 20CS00239400

A handwritten signature in black ink that reads "Galleros Robinson CPAs, LLP".

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Galleros Robinson CPAs, LLP  
Certified Public Accountants

January 23, 2024  
Cream Ridge, New Jersey

**ACHIEVE COMMUNITY CHARTER SCHOOL  
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 Achieve Community 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>
Priscilla Everheart	School Business Administrator	\$187,000

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 does 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.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

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

**Financial Planning, Accounting, and Reporting**

Examination of Claims

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

In our review of claims and related supporting documents, we noted the following discrepancies:

- a. Three (3) of 40 claims tested do not have signed vendor's declaration form.
- b. One (1) of 40 claims tested have invoice dates that are earlier than purchase order dates.

***Recommendation***

We recommend a review of vendor files to ensure that all supporting documents including approved purchase orders, vendor invoices and certifications are obtained and maintained. Further, expenses should always follow the Charter School's purchasing policy.

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. The Charter School do not have outstanding purchase orders as of June 30, 2023. 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*.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
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, 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 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 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.

Observation: During our review of the Board Secretary's report, we noted, that as of June 30, 2023 the Charter School has a long-outstanding receivable from Brick Education Network in the General Fund amounting to \$250,000 for its reimbursable lease construction cost in FY 2022. Additional effort is necessary to collect these receivables in FY 2024.

Elementary and Secondary Education Act (E.S.E.A) 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 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.

Observation: As of June 30, 2023, the Charter School has an outstanding receivable from Brick Education Network and Southward Alliance of \$925,955 for its pass-through federal grants for Charter Schools Program (CSP) Grants to Developers for the Replication and Expansion of High-Quality Charter Schools and Project Neighborhood Programs, of which, \$226,678 related to expenses incurred for FY 2021 and FY 2022.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

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

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

We recommend that the Charter School increase its effort to collect these long-outstanding receivables.

Teachers' Pension Annuity Fund (T.P.A.F.) 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. We noted no exceptions.

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. The expenditure was reviewed subsequent to the reimbursement and or state that no exceptions were noted.

**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 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.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

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

**School Food Service**

The Charter School's food service is administered by the Marion P. Thomas Charter School (MPTCS). The financial transactions, lunch applications for free and reduced meals, and statistical records related to the school food service are maintained by MPTCS.

**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 2023-002\****

In our review of enrollment information as reported in the CHE and as per school records, we noted the following:

- a. There were 21 students in the Charter School Enrollment System (CHE) with no birth certificate on file.
- b. Three (3) students were classified as "denied" in CHE but should have been classified as "free" based on the completed household information surveys.
- c. One (1) student was classified as "denied" in CHE but should have been classified as "reduced" based on the completed household information survey.
- d. Four (4) students were classified as "reduced" in CHE but should have been classified as "free" based on the completed household information surveys.
- e. Two (2) students were classified as "free" in CHE but should have been classified as "denied" based on the completed household information surveys.
- f. One (1) student was classified as "free" in CHE but should have been classified as "reduced" based on the completed household information survey.
- g. There were 11 Special Education students with Individualized Education Program (IEP) effective as of October 14, 2022 that do not have parent and/or social worker's signature.
- h. A student had Average Daily Enrollment (ADE) of 1.0 in the June 30, 2023; however, the student transferred out in the middle of the school year and had an actual ADE of 0.2 per the Charter School's attendance register.
- i. A student had ADE of 0.0 in CHE; however, the student was enrolled during the year per the Charter School's school registrar and attendance records and had an ADE of 1.0.

***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.



**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

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

**Student Body Activities**

Student activities during the fiscal year ended June 30, 2023 were accounted for. The Charter School closed out its student activity bank account during the fiscal year ended June 30, 2023 as approved by its Board of Trustees. 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.

**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

January 23, 2024  
Cream Ridge, New Jersey

**ACHIEVE COMMUNITY CHARTER SCHOOL  
APPLICATION FOR CHARTER SCHOOL AID  
ENROLLMENT COUNT AS OF OCTOBER 15, 2022**

Grades	Submission to DOE reported		50% Verification						Submission to DOE Reported Special Ed/						Low Income		
	On Roll	Reported on workpapers	Errors	required 10/15/22	Verified signed registration forms	Errors	Verified # days enrolled	Errors	Bilingual	Verified documentation	Errors	Verified # days Service Provided	Errors	Income	Verified documentation	Errors	
Kinder	46	46	0	23	23	0	23	0	0	0	0	0	0	42	41	1	
One	61	61	0	31	31	0	31	0	4	4	0	4	0	51	54	-3	
Two	57	57	0	29	29	0	29	0	1	1	0	1	0	50	50	0	
Three	68	68	0	34	34	0	34	0	6	6	0	6	0	61	61	0	
Four	59	59	0	30	30	0	30	0	7	7	0	7	0	44	44	0	
Five	55	55	0	28	28	0	28	0	9	9	0	9	0	48	48	0	
Six	53	53	0	27	27	0	27	0	3	3	0	3	0	45	45	0	
Seven	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Eight	42	42	0	20	20	0	20	0	8	8	0	8	0	37	37	0	
<b>Total</b>	<b>441</b>	<b>441</b>	<b>0</b>	<b>222</b>	<b>222</b>	<b>0</b>	<b>222</b>	<b>0</b>	<b>38</b>	<b>38</b>	<b>0</b>	<b>38</b>	<b>0</b>	<b>378</b>	<b>380</b>	<b>-2</b>	
Percentage			0.0%			0%		0%			0%		0%			-1%	

**ACHIEVE COMMUNITY CHARTER SCHOOL  
APPLICATION FOR CHARTER SCHOOL AID  
ENROLLMENT COUNT AS OF JUNE 30, 2023**

Grades	Submission to DOE reported		50% Verification						Submission to DOE Reported						Low Income		
	On Roll	Reported on workpapers	Errors	required 6/30/23	Verified signed registration forms	Errors	Verified # days enrolled	Errors	Special Ed/ Bilingual	Verified documentation	Errors	Verified # days Service Provided	Errors	Income	Verified documentation	Errors	
Kinder	49	49	0	25	25	0	24	1	0	0	0	0	0	42	41	1	
One	61	61	0	31	31	0	31	0	4	4	0	4	0	51	54	-3	
Two	58	58	0	29	29	0	29	0	1	1	0	1	0	50	50	0	
Three	67	67	0	34	34	0	34	0	6	6	0	6	0	61	61	0	
Four	61	61	0	31	31	0	31	0	7	7	0	7	0	44	44	0	
Five	53	53	0	27	27	0	27	0	9	9	0	9	0	48	48	0	
Six	55	55	0	28	28	0	28	0	3	3	0	3	0	45	45	0	
Seven	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Eight	43	43	0	21	21	0	22	-1	8	8	0	8	0	37	37	0	
<b>Total</b>	<b>447</b>	<b>447</b>	<b>0</b>	<b>226</b>	<b>226</b>	<b>0</b>	<b>226</b>	<b>0</b>	<b>38</b>	<b>38</b>	<b>0</b>	<b>38</b>	<b>0</b>	<b>378</b>	<b>380</b>	<b>-2</b>	
Percentage			0.0%			0%		0%			0%		0%			-1%	

**ACHIEVE COMMUNITY CHARTER SCHOOL  
(COUNTY OF ESSEX, NEW JERSEY)**

**EXCESS SURPLUS CALCULATION**

June 30, 2023

**SECTION 1**

**A. 4% Calculation of Excess Surplus**

2022-23 Total General Fund Expenditures per the CAFR, Ex. C-1		\$ <u>8,113,030</u> (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	\$ <u>899,162</u>	(B2a)
Assets Acquired Under Capital Leases	\$ _____	- (B2b)
Adjusted 2022-23 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>7,213,868</u>	(B3)
4% of Adjusted 2022-23 General Fund Expenditures [(B3) times .02]	\$ <u>288,555</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>288,555</u>	(B5)
Increased by: Allowable Adjustment *	\$ _____	- (K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]		\$ <u>288,555</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6/30/2023 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>2,578,626</u>	(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>2,578,626</u> (U1)
Excess Surplus (Deficiency) at June 30, 2023		\$ <u>2,290,071</u>

**SECTION 3**

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

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

**AUDIT RECOMMENDATION SUMMARY**

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

**I. Administrative Practices and Procedures**

There are none.

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

1. We recommend a review of vendor files to ensure that all supporting documents including approved purchase orders, vendor invoices and certifications are obtained and maintained. Further, expenses should always follow the Charter School's purchasing policy.

**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**

N/A.

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

2. 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.

**ACHIEVE COMMUNITY CHARTER SCHOOL  
COUNTY OF ESSEX, NEW JERSEY**

**AUDIT RECOMMENDATION SUMMARY - CONTINUED**

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

**VIII. Pupil Transportation**

N/A.

**IX. Facilities and Capital Assets**

There are none.

**X. Miscellaneous**

There are none.

**XI. Status of Prior Year Finding**

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.