

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL**

**COUNTY OF BERGEN, NEW JERSEY**

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

**FINANCIAL, COMPLIANCE AND PERFORMANCE**

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

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

TABLE OF CONTENTS

Report of Independent Auditor	1
Scope of Audit	2
Administrative Practices and Procedures	2
Insurance	2
Official Bonds	2
Tuition Charges	N/A
Financial Planning, Accounting and Reporting	2-4
Examination of Claims	2
Payroll Account and Employee Position Control Roster	2-3
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures	3
◦ General Classifications	3
◦ Administrative Classifications	3
Board Secretary's Records	3
Treasurer's Records	3
Elementary and Secondary Education Act as amended by the Every Student Succeeds Act (ESSA)	3
Other Special Federal and/or State Project	4
T.P.A.F. Reimbursement	4
School Purchasing Programs	4-5
Contracts and Agreements Requiring Advertisement for Bids	4-5
School Food Service	5-6
Student Body Activities	6
Enrollment Counts and Submissions to the Department	6
Pupil Transportation	N/A
Facilities and Capital Assets	N/A
Miscellaneous	7
Follow-up on Prior Year Findings	7
Acknowledgment	7
Schedule of Meal Count Activity	N/A
Net Cash Resource Schedule	N/A
Schedule of Audited Enrollments	8-9
Excess Surplus Calculation	N/A
Audit Recommendation Summary	10



## REPORT OF INDEPENDENT AUDITOR

Honorable President and  
Members of the Board of Education  
Englewood on the Palisades Charter School  
County of Bergen, 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 Education of the Englewood on the Palisades Charter School in the County of Bergen for the year ended June 30, 2023, and have issued our report thereon dated December 5, 2023.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the finding 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 Englewood on the Palisades Charter School's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

Jump, Perry and Company, L.L.P.  
Toms River, New Jersey

Kathryn Perry, Partner  
Public School Accountant  
No. CS 20CS00226400

December 5, 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 activities of the Charter School, and the records of the various funds under the auspices of the Charter School.

### **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 ACFR.

#### **Official Bonds (N.J.S.A 18A:17-26, 18A:17-32, 18A:13-13)**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
David P. Block	Business Administrator	\$ 155,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$300,000.

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.

The charter school data certification was not completed by the chief school administrator. The charter school Chapter 44 data was not submitted timely.

#### **Tuition Charges**

N/A

### **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 Charter School 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 and were certified by the President of the Board, the Business Administrator/Board Secretary.

## **Financial Planning, Accounting and Reporting (cont'd)**

### **Payroll Account (cont'd)**

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

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

### **Employee Position Control Roster**

A review of the Position Control Roster was made and found proper and consistent financial reporting, and that employee benefits are offered only to current employees and their eligible relations.

### **Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, 2023 for proper classification of orders as reserve for encumbrances and accounts payable.

### **Travel**

No findings.

### **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 0.00 percent overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

### **Board Secretary's Records**

Our review of the financial and accounting records maintained by the board secretary disclosed the following items.

No findings.

### **Treasurer's Records**

The following items were noted during our review of the records of the Board Secretary.

No findings.

### **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 projects under the Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

## **Financial Planning, Accounting and Reporting (cont'd)**

### **Other Special Federal and/or State Projects**

The charter school's Special Projects were approved as listed on Schedule K-3 and Schedule K-4 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 Single Audit Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

### **T.P.A.F. Reimbursement**

Our audit procedures included a test of quarterly reimbursements filed with the Department of Education for charter school employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

### **T.P.A.F. 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 subsequent to the end of the 60 day grant liquidation period, but prior to the 90 days required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

### **School Purchasing Programs**

#### **Contracts and Agreements Requiring Advertisement for Bids**

*N.J.S.A.* 18A:18A-3 states:

1. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent possesses a qualified purchasing agent certificate pursuant to subsection b. of section 9 of P.L.1971, c.198 (C.40A:11-9) the board of education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
2. Commencing in the fifth year after the year in which P.L.1999, c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of the Treasury, shall adjust the threshold amount and the higher threshold amount which the board of education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made.

## **School Purchasing Programs (Cont'd)**

### **Contracts and Agreements Requiring Advertisement for Bids (cont'd)**

Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.A. 18A:18A-5 may be awarded for a period not exceeding 12 consecutive months.

*N.J.S.A.* 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law."

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 2022-2023.

The Board of Education 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.

The results of our examination indicated that no individual payments, contracts, or agreements were 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**

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. Required comments for a School Food Service Program that has not been audited as a major program, but has expended \$100,000 or more in federal and/or state support.

The school food service 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. No exceptions were noted.

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. No exceptions were noted.

### **School Food Service (cont'd)**

The Statement of Revenues, Expenses, and Changes in Fund Net Position (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program costs 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.

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. No exceptions were noted.

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/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. 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 (food and/or commodities) were received. No exceptions were noted.

### **Student Body Activities**

During our review of the student activity funds, no items were noted.

### **Enrollment Counts and Submission to the Department**

Our audit procedures included a test of enrollment information on October 14, 2022 and the last day of school for on-roll, special education, bilingual and low-income.

The Charter School maintained written procedures that appear to be adequate for the recording of student enrollment data.

### **Pupil Transportation**

N/A

### **Facilities and Capital Assets**

N/A



## **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**

N/A

### **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.

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT COUNT AS OF OCTOBER 14, 2022**

Grades	Submission to DOE reported		50% Verification					Submission to DOE Reported Special Ed/ Bilingual					Low Income		
	On Roll	Reported on workpapers	Errors	required	Verified signed registration forms	Errors	Verified # days enrolled	Errors	Verified # days Service Provided	Errors	Verified documentation	Errors	Income	Verified documentation	Errors
Kindergarten	29	29	0	15	15	0	15	0	0	0	0	0	1	1	0
One	35	35	0	18	18	0	18	0	1	1	0	1	5	5	0
Two	27	27	0	14	14	0	14	0	1	1	0	1	3	3	0
Three	39	39	0	20	20	0	20	0	3	3	0	3	17	17	0
Four	38	38	0	19	19	0	19	0	3	3	0	3	13	13	0
Five	35	35	0	18	18	0	18	0	5	5	0	5	13	13	0
Six	38	38	0	19	19	0	19	0	5	5	0	5	19	19	0
Seven	37	37	0	19	19	0	19	0	5	5	0	5	13	13	0
Eight	27	27	0	14	14	0	14	0	5	5	0	5	10	10	0
<b>Total</b>	<b>305</b>	<b>305</b>	<b>0</b>	<b>156</b>	<b>156</b>	<b>0</b>	<b>156</b>	<b>0</b>	<b>28</b>	<b>28</b>	<b>0</b>	<b>28</b>	<b>94</b>	<b>94</b>	<b>0</b>
Percentage			0%			0%		0%			0%				0%

**ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT COUNT AS OF THE LAST DAY**

Grades	Submission to DOE reported		50% Verification						Submission to DOE Reported					Low Income		
	On Roll	Reported on workpapers	Errors	required	Verified signed registration forms	Errors	Verified # days enrolled	Errors	Bilingual	Verified documentation	Errors	Verified # days Service Provided	Errors	Income	Verified documentation	Errors
Kindergarten	29	29	0	15	15	0	15	0	0	0	0	0	0	1	1	0
One	35	35	0	18	18	0	18	0	1	1	0	1	0	5	5	0
Two	27	27	0	14	14	0	14	0	1	1	0	1	0	4	4	0
Three	38	38	0	19	19	0	19	0	3	3	0	3	0	16	16	0
Four	38	38	0	19	19	0	19	0	3	3	0	3	0	13	13	0
Five	35	35	0	18	18	0	18	0	5	5	0	5	0	13	13	0
Six	38	38	0	19	19	0	19	0	5	5	0	5	0	19	19	0
Seven	37	37	0	19	19	0	19	0	5	5	0	5	0	13	13	0
Eight	27	27	0	14	14	0	14	0	5	5	0	5	0	10	10	0
<b>Total</b>	<b>304</b>	<b>304</b>	<b>0</b>	<b>155</b>	<b>155</b>	<b>0</b>	<b>155</b>	<b>0</b>	<b>28</b>	<b>28</b>	<b>0</b>	<b>28</b>	<b>0</b>	<b>94</b>	<b>94</b>	<b>0</b>
Percentage			0%			0%		0%			0%		0%			0%

ENGLEWOOD ON THE PALISADES CHARTER SCHOOL  
AUDIT RECOMMENDATION SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

It is recommended that:

1. Administrative Practices and Procedures  
None
- 2.. Financial Planning, Accounting and Reporting  
None
3. School Purchasing Program  
None
4. School Food Service  
None
5. Student Body Activities  
None
6. Application for State School Aid  
None
7. Pupil Transportation  
None
8. Facilities and Capital Assets  
None
9. Miscellaneous  
None
10. Status of Prior Year Findings/Recommendations  
There were no prior year audit findings or recommendations.