

**CharterTech High School for the Performing Arts, Inc.
County of Atlantic**

**Auditor's Management Report on
Administrative Findings--
Financial, Compliance and Performance**

**For the Fiscal Year Ended
June 30, 2023**



CHARTER~TECH HIGH SCHOOL FOR THE PERFORMING ARTS, INC.Auditor's Management Report on Administrative
Findings - Financial, Compliance and Performance

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

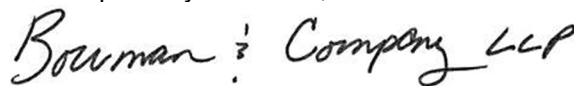
The Honorable President and
Members of the Board of Trustees
CharterTech High School for the Performing Arts
County of Atlantic, New Jersey

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 CharterTech High School for the Performing Arts, Inc., in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2023, which were separately issued in the Annual Comprehensive Financial Report dated February 14, 2024.

As part of our audit, we also 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 issued in conjunction with the Annual Comprehensive Financial Report of the Board of Trustees of the CharterTech High School for the Performing Arts, Inc., for the fiscal year ended June 30, 2023, and is intended for the information of the 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,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Public School Accountant No. CS 02459

Voorhees, New Jersey
February 14, 2024

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**SCOPE OF AUDIT**

The audit covered the financial transactions of the Board Secretary / School Business Administrator and the Lead Person, 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 Annual Comprehensive Financial Report (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> |
|--------------------|--|----------------------|
| Jill Carson | Board Secretary / School Business Administrator | \$ 200,000.00 |

There is a blanket dishonesty bond covering all other employees with the following coverage: \$125,000.00 per employee.

P.L.2020, c.44

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 under audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the Charter School.

The Charter School data certification was completed by the chief school administrator. The Charter School Chapter 44 data was submitted timely.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING**Examination of Claims**

Sampled claims paid during the fiscal year under audit did not indicate any reportable noncompliance with respect to signatures, certification, or supporting documentation.

Payroll Account

The net salaries of sampled employees of the Charter School were deposited in the net payroll account. Employees' payroll deductions and the employer's share of fringe benefits were deposited in the payroll agency account.

Sampled payrolls were approved by the Lead Person and were certified by the President of the Board and the Board Secretary / School Business Administrator.

Sampled salary withholdings were promptly remitted to the proper agencies, including health benefit premium withholdings due to the general fund.

Sampled payrolls were delivered to the Board Secretary who then deposited with warrants in separate bank accounts for net payroll and withholdings.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)

Encumbrances and Accounts Payable

A sample of outstanding issued purchase orders was made as of June 30 for proper classification of orders as encumbrances and accounts payable. Our sample did not indicate any reportable noncompliance with respect to classification of orders.

Travel

Our procedures performed on travel expenditures during the fiscal year under audit did not indicate any reportable noncompliance.

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 randomly sampled expenditure transactions. We also tested the coding of all expenditures included in our compliance and single audit sampling procedures. In addition, a sample was selected that specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. Our samples did not indicate any reportable noncompliance with respect to classification of expenditures.

Board Secretary's Records

Our audit of the financial and accounting records maintained by the Board Secretary indicated that they were in satisfactory condition.

Treasurer of School Moneys' Records

Our audit of the financial and accounting records maintained by the Board Secretary indicated that they were in satisfactory condition.

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

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, II, and IV of the Every Student Succeeds Act.

The audit of compliance for E.S.E.A. did not indicate any reportable noncompliance.

Other Special Federal and / or State Projects

The Charter School's other special projects were approved as listed on exhibits K-3 and K-4 located in the ACFR.

Our audit of the federal and state funds on a sample 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 other special projects.

The audit of compliance for other special projects did not indicate any reportable noncompliance.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)

TPAF Reimbursement

Our audit procedures included a sample of the biweekly 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.

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 and N.J.S.A. 18A:66-90. The expenditure was inspected 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-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and the school contracts in general, are available on the following website:

<https://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>

Current statute is posted on the New Jersey Legislature website at:

<http://www.njleg.state.nj.us/>

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000.00 (with a Qualified Purchasing Agent) and \$32,000.00 (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 \$20,200.00 for 2022-23.

The School District's Charter School's Members of the 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 audit, 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.

SCHOOL FOOD SERVICE

The school food service program was not selected as a major federal and / or State program. However, the program expenditures exceeded \$100,000.00 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 exhibit B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

Net cash resources did not exceed three months average expenditures.

STUDENT BODY ACTIVITIES

Our audit of the financial and accounting records for student activities indicated that they were in satisfactory condition.

ENROLLMENT COUNTS AND SUBMISSIONS TO THE DEPARTMENT

Our audit procedures included a sample of enrollment information on October 14, 2022 and the last day of school for on-roll, special education, bilingual and low-income. The results of our procedures are presented in the schedule of audited enrollments.

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

FACILITIES AND CAPITAL ASSETS

Our audit of the financial and accounting records for facilities and capital assets indicated that they were in satisfactory condition.

MISCELLANEOUS

Testing for Lead of All Drinking Water in Education Facilities

The School District complied with all the requirements of N.J.A.C. 6A:26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The School District 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'S FINDINGS

There were no audit findings for the fiscal year ended June 30, 2022.

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2023.

ACKNOWLEDGMENT

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Public School Accountant No. 02459

CharterTech High School for the Performing Arts, Inc.
 APPLICATION FOR CHARTER SCHOOL AID
 ENROLLMENT COUNT AS OF OCTOBER 14, 2022

| Grade | Submission to DOE reported On Roll | Sample | | | | | | | | | | | | |
|--------------|--|---------------------------|---------------------------------------|--------|-----------------------------|--------|------------------------------|---------------------------|--------|-------------------------------------|--------|------------|---------------------------|--------|
| | | Reported on Workpapers | Verified signed Registration Forms | Errors | Verified # days enrolled | Errors | Special Ed & or Bilingual | Verified Documentation | Errors | Verified # days Service Provided | Errors | Low Income | Verified Documentation | Errors |
| Kindergarten | | | | | | | | | | | | | | |
| One | | | | | | | | | | | | | | |
| Two | | | | | | | | | | | | | | |
| Three | | | | | | | | | | | | | | |
| Four | | | | | | | | | | | | | | |
| Five | | | | | | | | | | | | | | |
| Six | | | | | | | | | | | | | | |
| Seven | | | | | | | | | | | | | | |
| Eight | | | | | | | | | | | | | | |
| Nine | 116 | 51 | | | 51 | | 17 | 17 | | 17 | | 37 | 37 | |
| Ten | 89 | 49 | | | 49 | | 12 | 12 | | 12 | | 33 | 33 | |
| Eleven | 95 | 53 | | | 53 | | 16 | 16 | | 16 | | 37 | 37 | |
| Twelve | 77 | 36 | | | 36 | | 5 | 5 | | 5 | | 15 | 15 | |
| Total | - 377 | - 189 | - | - | - 189 | - | 50 | 50 | - | 50 | - | 122 | 122 | - |

Percentage

CharterTech High School for the Performing Arts, Inc.
 APPLICATION FOR CHARTER SCHOOL AID
 ENROLLMENT COUNT AS OF LAST DAY OF SCHOOL YEAR 2023

| Grade | Submission to DOE reported On Roll | Sample | | | | | | | | | | | | |
|--------------|--|---------------------------|---------------------------------------|----------|-----------------------------|----------|------------------------------|---------------------------|----------|-------------------------------------|----------|--------------|---------------------------|----------|
| | | Reported on Workpapers | Verified signed Registration Forms | Errors | Verified # days enrolled | Errors | Special Ed & or Bilingual | Verified Documentation | Errors | Verified # days Service Provided | Errors | Low Income | Verified Documentation | Errors |
| Kindergarten | | | | | | | | | | | | | | |
| One | | | | | | | | | | | | | | |
| Two | | | | | | | | | | | | | | |
| Three | | | | | | | | | | | | | | |
| Four | | | | | | | | | | | | | | |
| Five | | | | | | | | | | | | | | |
| Six | | | | | | | | | | | | | | |
| Seven | | | | | | | | | | | | | | |
| Eight | | | | | | | | | | | | | | |
| Nine | 116 | 65 | | | 65 | | 13 | 13 | | 13 | | 48 | 48 | |
| Ten | 89 | 40 | | | 40 | | 13 | 13 | | 13 | | 26 | 26 | |
| Eleven | 95 | 42 | | | 42 | | 16 | 16 | | 16 | | 27 | 27 | |
| Twelve | 77 | 41 | | | 41 | | 12 | 12 | | 12 | | 23 | 23 | |
| Total | - 377 | - 188 | - | - | - 188 | - | - 54 | - 54 | - | - 54 | - | - 124 | - 124 | - |

Percentage

CHARTERTECH HIGH SCHOOL FOR THE PERFORMING ARTS, INC.

Audit Recommendations Summary
For the Fiscal Year Ended June 30, 2023

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. Enrollment Counts and Submissions to the Department
None
7. Facilities and Capital Assets
None
8. Miscellaneous
None
9. Status of Prior Year Audit Findings/Recommendations
None

