

**GREAT OAKS LEGACY CHARTER SCHOOL**

**Auditors' Management Report  
On  
Administrative Findings  
Financial, Compliance  
And Performance  
June 30, 2024**

# GREAT OAKS LEGACY CHARTER SCHOOL

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## Report of Independent Auditors

Honorable President and  
Members of the Board of Trustees  
Great Oaks Legacy Charter School  
County of Essex, New Jersey

We have audited, in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, the basic financial statements of the Board of Trustees of Great Oaks Legacy Charter School in the County of Essex, for the year ended June 30, 2024, and have issued our report thereon dated January 31, 2025.

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 Great Oaks Legacy 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.

***Ilori CPA LLC***

January 31, 2025  
Newark, New Jersey

Ilori CPA LLC  
Certified Public Accountant

***KunleIlori***

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Kunle B. Ilori, CPA  
Licensed Public School Accountant  
No. 20CS00233100

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Auditors' Management Report On Administrative Findings**  
**Financial, Compliance and Performance**  
**For the Year Ended June 30, 2024**

**Scope of Audit**

The audit covered the financial transactions of the Business Office, 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**

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Amount</u></b>
Dr. Brian Falkowski	School Business Administrator	\$250,000

School Leaders Errors and Omissions Liability insurance was carried for all members of the Board of Trustees with coverage for each wrongful act of \$1,000,000.

There is an Employee's Faithful Performance Blanket Position Bond Policy covering for all other employees with coverage of \$25,000.

**P.L.2020, Chapter 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 on audit.

The bill includes a provision that permits charter school employers to not implement Chapter 44 unless they have a collective negotiation agreement with any of their employees in place on or after the law's effective date. The Charter School does not have a collective negotiation agreement in place, and therefore, is not required to implement Chapter 44.

**Tuition Charges**

A review of the 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.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Auditors' Management Report On Administrative Findings**  
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**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 in the Charter School and were certified by the President of the Board of Trustees and the School Business Administrator.

***Observation***

Employees' payroll deductions and employee's share of fringe benefits including health were deposited in the agency account in accordance with N.J. A. C. 5:30-17 to be remitted to appropriate governmental agencies or outside party such as Health Insurance Company.

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchased orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No exceptions were noted.

**Travel**

While there was no travel event that was up to \$5,000 or more which would require approval of the County superintendent of Education. The charter school has a travel policy that is consistent and complies with NJSA 18A:11.

**Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with NJAC 6A:23-2.2(g) and line item details as described in the Budget Summary Key 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. As a result of the procedures performed, no transaction error rate was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Auditors' Management Report On Administrative Findings**  
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**A. General Classification Findings**

During our test of transactions, it was noted that the charter school properly classified its expenditures using the technical accounting manual as a reliable source for its accounting transactions.

The Charter school consistently referenced Charter School accounting manual titled The Uniform Chart of Accounts (Handbook 2R2) for New Jersey Public School for guidance in transaction postings thereby enhancing its reporting process.

**B. Administration classification findings**

During our test of transactions, it was noted that the charter school properly classified the state tuition aid to different categories as provided by the state such as Security aid, special education, preschool aid and state share.

**Financial Planning, Accounting, and Reporting**

**Board Secretary's Records**

Our review of the financial and accounting records maintained by the business office disclosed no instances of noncompliance. The Board acknowledged the receipt of the monthly financial reports in the minutes. In addition, procurement for goods and services are approved and documented in the minutes of the Board of Trustees.

**Treasurer's Records**

The school does not maintain position of treasurer school of moneys; rather the school business administrator handles all administrative issues, and cash transactions while the accountant record all transactions and prepare bank account reconciliations. No exceptions noted in the year ended June 30, 2024.

**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 Comprehensive Annual Financial Report (CAFR). This section of the CAFR documents the financial position pertaining to the projects under Titles I through VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated no areas of noncompliance and/or questionable costs.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
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**Other Special Federal and/or State Projects**

The Charter School's Special Projects were approved as listed on Schedule A (K-3) and Schedule B (K-4) located in the CAFR. 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 CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

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

Our audit procedures included a test 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 noted.

**TPAF Reimbursement to the State for Federal Salary Expenditures**

This represents 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.

This did not apply for the fiscal year ended June 30, 2024 because the Charter School did not charge any eligible employees to federal grants during the fiscal year.

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertising 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 is available on the [NJ Local Agency Procurement Laws](https://www.njleg.state.nj.us/LocalAgencyProcurementLaws) webpage: [state.nj.us/dca/divisions/dlgs/programs/lpcl.html](https://state.nj.us/dca/divisions/dlgs/programs/lpcl.html).

Current statute is posted on the [New Jersey Legislature](https://njleg.state.nj.us/) (njleg.state.nj.us/) website.

Effective July 1, 2020 and thereafter the bid thresholds in accordance with N.J.S.A 18A:18A-3 (as amended) and 18A:39-3 is \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public student transportation contract under N.J.S.A. 18A:39-3 is currently \$20,200 for 2023-2024.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
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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 18A18A-4, amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A 18A:A8A-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.

We inquired about management's public health emergency procedures that SFA instituted in accordance with the New Jersey state provisions. No exceptions noted. Furthermore, the financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test check basis. No exceptions noted.

The cash disbursements records reflected expenditure on program related goods and services. The appropriate revenue and expenditure records were maintained to substantiate the non-profit status of the school food service.

Net cash resources did not exceed three months' average expenditure as computed in the attached schedule.

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 or certified in a timely manner. No exceptions noted.



**COMMUNITY CHARTER SCHOOL OF PATERSON**  
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Participation in the food program was based on two different levels, the downtown campus is not a Community Eligible Program (CEP) participant, while the South 16th campus is recognized as "CEP" participant.

The required verification procedures for free and reduced-price applications were not completed.

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 and/or list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced-price meals and free milk policy was reviewed for uniform administration throughout the school system.

No exceptions noted.

As required by United States Department of Agriculture, when eligibility is determined using application process, the participating schools should use recommended sampling technique as prescribed by the USDA to conduct verification test. The result of the test should be communicated to parents or guardians. Furthermore, where there is a change of status, this must also be communicated to parents or guardians using "Form 318".

**Verification Collection Report**

The Charter school did not submit "verification collection report (FNS -742)" to NJDOE.

***Finding 2024-001***

The school failed to conduct verification tests on error prone students for all participating campuses with respect to free and reduced students as required by the Department of Agriculture. In addition, the school failed to file the necessary verification reports with the New Jersey Department of Education (NJDOE).

***Recommendation***

We recommend the school adopt a system of using written manuals consistent with the Department of Agriculture and NJDOE for processing the food program and keeping the assigned staff abreast of the procedures.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
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**Student Body Activities**

Our audit revealed some student body activities during the fiscal year ended June 30, 2024 which were accounted for in separate bank accounts. Our review of the record of the Student Body Activities did not disclose any exceptions.

**Enrollment Counts and Submission to the Department**

We reviewed the enrollment process with the management; we noted that the school has well written internal procedures that describe the enrollment count process. The procedures described how the count is taken, who is responsible for compiling the data, completing the enrollment count submission, and detail various responsibilities for collection of the data and the follow up procedures to make amendments if necessary.

***Finding # 2024-002\****

While there is significant improvement in the attendance of the students, there was a few cases of excessive absences of some students. In accordance with NJSA 18A:38 et al., and with N.J.A.C.6A: 23A-15.1et.seq, student will be considered ‘dropout’ if absent more than ten (10) consecutive days. The charter school is also required to notify school district in writing.

***Recommendation***

We recommend better controls designed to increase students’ attendance for instruction by using formal inquiry such as phone calls to the parents or guardians and use of truancy process to mitigate the current condition.

***\* Repeat finding.***

**Other matters (Miscellaneous)**

***Finding 2024-003***

Considering the size of the ‘IT’ support, a review of the department disclosed the areas to be strengthened:

A random test showed old devices can still gain access to Great Oaks networks (Wi-Fi) posing a security threat.

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**Recommendation:**

- Periodic changes of network password should be enforced as the first line of defense in protecting the systems.
- Periodic logs, to see devices connected to networks also helps safeguard “IT” assets.
- In addition, periodic updates to wireless policies should be implemented to create a framework, procedures and processes that will keep the network safe.
- Furthermore, Human Resources (HR) can be enhanced by allowing integration of HR and “IT” support for termination. A case in point, if an employee is voluntarily or involuntarily terminated.
- Once the termination meeting begins, the IT security team should remove all the employees’ access rights to the system, thereby preserving the system’s integrity.

**Facilities and Capital Assets**

Our procedures included a review of policies and procedures adopted by the Charter School over its capital assets. We noted that acquisitions during the fiscal year ended June 30, 2024 met the capitalization threshold of \$2,000 set by the State of New Jersey’s Department of Education for Charter Schools.

***Observation - Inventory of assets and tracking***

The inventory of capital assets was maintained and updated for the year ended June 30, 2024, as required to account for new acquisitions and disposals with their related depreciation expense.

**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’s Findings**

In accordance with *Government Auditing Standards* issued by the Comptroller General of the United States, our procedures included a review of all prior year recommendations including findings in relation to the corrective action plan undertaken by the Charter School. Corrective Action Plan was implemented except for the similar occurrences in the enrollment.

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
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There were no audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC) during the 2023-2024 fiscal year.

**Acknowledgement**

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.

Respectfully Submitted,

Ilori CPA LLC  
Certified Public Accountant

*Kunle Ilori*

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Kunle B. Ilori, CPA  
Licensed Public School Accountant  
No. 20CS00233100

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Auditors' Management Report On Administrative Findings**  
**Financial, Compliance and Performance**  
**For the Year Ended June 30, 2024**

<b>Food Service Fund</b> <b>Number of Meals Served and (Over)/Underclaim</b> <b>Enterprise Fund</b>						
Program	Meal Category	Meals Claimed	Meals Verified	Difference	Rate	(Over) Under Claim
National School Lunch	Paid	58,833	58,833	-	0.42	\$ -
	Reduced	19,009	19,009	-	3.87	-
	Free	198,229	198,229	-	4.27	-
	Total	<u>276,071</u>	<u>276,071</u>	<u>-</u>		<u>-</u>
National School Lunch	HHFKA					
	PB Lunch Only	<u>276,071</u>	<u>276,071</u>	<u>-</u>	0.08	<u>-</u>
School Breakfast	Paid	43,894	43,894	-	0.38	-
	Reduced	13,773	13,773	-	2.43	-
	Free	147,781	147,781	-	2.73	-
	Total	<u>205,448</u>	<u>205,448</u>	<u>-</u>		<u>-</u>
After School Snacks	Paid	-	-	-	0.10	-
	Reduced	-	-	-	0.58	-
	Free (Area Eligible)	48,904	48,904	-	1.17	-
	Total	<u>48,904</u>	<u>48,904</u>	<u>-</u>		<u>-</u>
Total Net (Over)/Underclaim						<u>\$ -</u>

**COMMUNITY CHARTER SCHOOL OF PATERSON**  
**Auditors' Management Report On Administrative Findings**  
**Financial, Compliance and Performance**  
**For the Year Ended June 30, 2024**

**Food Service Fund**  
**Number of Meals Served and (Over)/Underclaim**  
**Enterprise Fund**

Program	Meal Category	Meals Claimed	Meals Verified	Difference	Rate	(Over) Under Claim
State Reimbursement	Paid	58,833	58,833	-	0.06	\$ -
National School Lunch	Reduced	19,009	19,009	-	0.47	-
	Free	198,229	198,229	-	0.07	-
Total		<u>276,071</u>	<u>276,071</u>	<u>-</u>		<u>-</u>
State Lunch Reimbursement	NJEIE	<u>3,017</u>	<u>3,017</u>	<u>-</u>	3.85	<u>-</u>
State Reimbursement	Paid	43,894	43,894	-	-	-
School Breakfast	Reduced	13,733	13,733	-	0.30	-
	Free	147,781	147,781	-	-	-
Total		<u>205,408</u>	<u>205,408</u>	<u>-</u>		<u>-</u>
State Reimbursement	Paid	43,894	43,894	-	0.10	-
School Breakfast - After Bell	Reduced	13,773	13,773	-	0.10	-
	Free	147,781	147,781	-	0.10	-
Total		<u>205,448</u>	<u>205,448</u>	<u>-</u>		<u>-</u>
State Lunch Reimbursement	NJEIE	<u>2,206</u>	<u>2,206</u>	<u>-</u>	2.35	<u>-</u>
Total Net (Over)/Underclaim						<u>\$ -</u>

**GREAT OAKS LEGACY CHARTER SCHOOL**  
**Application for Charter School Aid**  
**Schedule of Audited Enrollments**  
**Enrollment Count as of October 15, 2023**

Grades	Submission to DOE reported on Roll	Reported on Workpapers	Verified signed registration forms	Errors	Verified # of days enrolled	Errors	Special Ed &/ or Bilingual	Verified Documentation	Errors	Verified # of days of Service Provided	Errors	Low Income	Verified Documentation	Errors
Pre-K	68	58	51	7	54	4	-	-	-	-	-	41	37	4
Kindergarten	191	171	162	9	161	10	6	6	-	6	-	119	107	12
One	181	153	150	3	145	8	16	16	-	16	-	107	96	11
Two	200	180	178	2	173	7	16	16	-	16	-	115	104	11
Three	206	187	183	4	184	3	16	16	-	16	-	124	112	12
Four	170	155	149	6	152	3	14	14	-	14	-	113	102	11
Five	242	218	210	8	204	14	20	20	-	20	-	134	121	13
Six	265	242	237	5	237	5	31	31	-	31	-	156	141	15
Seven	224	202	199	3	192	10	25	25	-	25	-	121	103	18
Eight	237	219	214	5	212	7	23	23	-	23	-	139	125	14
Nine	177	116	106	10	110	6	19	19	-	19	-	76	68	8
Ten	108	94	88	6	90	4	12	12	-	12	-	69	62	7
Eleven	91	85	78	7	80	5	11	11	-	11	-	45	41	4
Twelve	82	80	70	10	78	2	2	2	-	2	-	40	36	4
Total	2,442	2160	2075	85	2072	88	211	211	-	211	0	1399	1255	144
Percentage				3.94%		4.07%			0.00%		0.00%			10.29%

**GREAT OAKS LEGACY CHARTER SCHOOL**  
**Application for Charter School Aid**  
**Schedule of Audited Enrollments**  
**Enrollment Count as of Last Day of School**

Grades	Submission to DOE reported on Roll	Reported on Workpapers	Verified signed registration forms	Errors	Verified # of days enrolled	Errors	Special Ed &/ or Bilingual	Verified Documentation	Errors	Verified # of days of Service Provided	Errors	Low Income	Verified Documentation	Errors
Pre-K	68	58	50	8	53	5	-	-	-	-	-	41	37	4
Kindergarten	191	171	162	9	161	10	6	6	-	6	-	119	107	12
One	181	153	150	3	145	8	16	16	-	16	-	107	96	11
Two	200	180	178	2	173	7	16	16	-	16	-	115	104	11
Three	206	187	182	5	184	3	16	16	-	16	-	124	112	12
Four	170	155	149	6	152	3	14	14	-	14	-	113	102	11
Five	242	218	210	8	204	14	20	20	-	20	-	134	121	13
Six	265	242	237	5	237	5	31	31	-	31	-	156	141	15
Seven	224	202	199	3	192	10	25	25	-	25	-	121	103	18
Eight	237	219	215	4	212	7	23	23	-	23	-	139	125	14
Nine	177	116	106	10	110	6	19	19	-	19	-	76	68	8
Ten	108	94	89	5	90	4	12	12	-	12	-	69	62	7
Eleven	91	85	78	7	80	5	11	11	-	11	-	45	41	4
Twelve	82	80	70	10	78	2	2	2	-	2	-	40	36	4
Total	2,442	2160	2075	85	2071	89	211	211	-	211	0	1399	1255	144
Percentage				3.94%		4.12%			0.00%		0.00%			10.29%



**GREAT OAKS LEGACY CHARTER SCHOOL  
NET CASH RESOURCE SCHEDULE**

Net cash resources did/did not exceed three months of expenditures  
Proprietary Funds - Food Service  
Year ended June 30, 2024

<u>Net Cash Resources:</u>		Food Service B - 4/5	
ACFR	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 184,221
B-4		Due from Other Gov'ts	-
B-4		Accounts Receivable	65,456
B-4		Investments	-
ACFR		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	-
B-4		Less Accruals	-
B-4		Less Due to Other Funds	(249,677)
B-4		Less Deferred Revenue	-
		<b>Net Cash Resources</b>	<u>- (A)</u>

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	1,682,806	
B-5	Less Depreciation	-	
		<u>Adj. Tot. Oper. Exp.</u>	<u>\$ 1,682,806 (B)</u>

Average Monthly Operating Expense:

B / 10	<u>\$ 168,281 (C)</u>
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Three times monthly Average:

3 X C	<u>\$ 504,842 (D)</u>
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TOTAL IN BOX A	\$ -
LESS TOTAL IN BOX D	\$ (504,842)
NET	<u>(504,842)</u>
From above:	
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>	

\* Inventories are not to be included in total current assets.

Source: Charter School's ACFR

**GREAT OAKS LEGACY CHARTER SCHOOL**  
**Auditors' Management Report On Administrative Findings**  
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**For the Year Ended June 30, 2024**

**Audit Recommendations Summary**

1. Administrative Practices and Procedures  
  
None
2. Financial Planning, Accounting and Reporting  
  
None
3. School Purchasing Programs  
  
None
4. School Food Service

***Finding 2024-001***

The school failed to conduct verification tests on error prone students for all participating campuses with respect to free and reduced students as required by the Department of Agriculture. In addition, the school failed to file necessary verification reports with New Jersey Department of Education (NJDOE).

***Recommendation***

We recommend the school adopt a system of using written manuals consistent with the Department Agriculture and NJDOE for processing the food program and keeping the assigned staff abreast of the procedures.

5. Student Body Activities  
None
6. Application for State School Aid  
None
7. Charter School Enrollment System (CHE) (Applicable to audits of charter schools)

***Finding 2024-002 (repeat finding)***

While there is significant improvement in the attendance of the students, there were a few cases of excessive absences of some students. In accordance with NJSA 18A:38 et al., and with N.J.A.C.6A: 23A-15.1et.seq, students will be considered ‘dropout’ if absent more than ten (10) consecutive days. The charter school is also required to notify the school district in writing.

**GREAT OAKS LEGACY CHARTER SCHOOL**  
**Auditors' Management Report On Administrative Findings**  
**Financial, Compliance and Performance**  
**For the Year Ended June 30, 2024**

***Recommendation***

We recommend better controls designed to increase students' attendance for instruction by using formal inquiries such as phone calls to the parents or guardians and use of truancy process to mitigate the current condition.

8. Facilities and Capital Assets

None

9. Miscellaneous

***Finding 2024-003***

Considering the size of the 'IT' support, a review of the department disclosed the areas to be strengthened:

A random test showed old devices can still gain access to Great Oaks networks (Wi-Fi) posing a security threat.

**Recommendation**

Periodic changes of network password should be enforced as the first line of defense in protecting the systems.

Periodic logs, to see devices connected to networks also helps safeguard "IT" assets. In addition, periodic updates to wireless policies should be implemented to create a framework, procedures and processes that will keep the network safe.

Furthermore, Human Resources (HR) can be enhanced by allowing integration of HR and "IT" support for termination.

In the event an employee is voluntarily or involuntarily terminated. Once the termination meeting begins, the IT security team should remove all the employees' access rights to the system, thereby preserving the system's integrity.

10. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year's recommendations and corrective action was taken on all prior year findings except for recommendation on enrollment as specified above.