

**JOHN P. HOLLAND CHARTER SCHOOL
AUDITORS MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS
FINANCIAL COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**XI. AUDITORS MANAGEMENT REPORT ON ADMINISTRATION FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE**

TABLE OF CONTENTS

Report of Independent Auditors	1
Scope of Audit	2
Administrative Practices and Procedures.....	2
Insurance	2
Official Bonds	2
Financial Planning, Accounting and Reporting.....	2
Examination of Claims	2
Payroll Account	2
Reserve for Encumbrances, and Accounts Payable	3
Classification of Expenditures.....	3
Board's Secretary Accounting Records	3
Treasurer's Records	3
Elementary and Secondary Education Act (E.S.E.A)	3
Other Special Federal and/or State Projects	3
T.P.A.F. Reimbursement	4
T.P.A.F. Reimbursement to the State for Federal Salary Expenditures	4
School Purchasing Programs	4
School Food Service.....	4
Enrollment Counts and Submissions to the Department.....	5
Testing for Lead of All Drinking Water in Educational Facilities.....	5
Follow-up on Prior Year Findings.....	6
Acknowledgement.....	7
Schedule of Audited Enrollments.....	8
Net Cash Resource Schedule	10
Audit Synopsis Recommendations	11

GERALD D. LONGO
CERTIFIED PUBLIC ACCOUNTANT
62 OLD QUEENS BLVD.
MANALAPAN, NEW JERSEY 07726-3648

TELEPHONE
732 446-4768

FAX
732 792-0868

REPORT OF INDEPENDENT AUDITORS

The Honorable Chairman and
Members of the Board of Trustees
John P. Holland Charter School
County of Passaic
Paterson, New Jersey

I 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 Trustees of the John P. Holland Charter School, in the County of Passaic, for the year ended June 30, 2024 and have issued my report thereon dated January 9, 2025.

As part of my audit, I 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 John P. Holland Charter School, for the fiscal year ended June 30, 2024, 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.

Licensed Public School Accountant No. 20CS00206400



Gerald D. Longo
Certified Public Accountant

January 9, 2025

ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the Treasurer of School Monies, 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

Various fire and liability insurance coverage was carried in the amounts as detailed in the Insurance Schedule contained in the Charter School's Annual Comprehensive Financial Report (ACFR). See Exhibit J-20.

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

<u>Position</u>	<u>Amount</u>
Board Secretary/School Business Administrator, Treasurer	\$180,000

P.L.2020,c.44

My 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.

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Examination of Claims

An examination of claims paid during the period under review did not indicate any reportable noncompliance with respect to signatures, certification or supporting documentation.

Payroll Accounts

The net salaries of all employees of the Charter School were deposited in the Payroll Account. Employees payroll deductions and employees share of fringe benefits were deposited in the Payroll Agency Account.

Sampled payrolls were approved by the President of the Board and the Board Secretary/Business Administrator.

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

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

Encumbrances and Accounts Payable

A sample of outstanding issued purchase orders was made as of June 30, 2024 for proper classification of orders as encumbrances and accounts payable. My sample did not indicate any reportable noncompliance with respect to classification of orders.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with the *N.J.A.C. 6A:23A-16.2(f)* as part of my test of transactions of randomly sampled expenditure transactions. I also tested the coding of all expenditures included in my compliance and single audit sampling procedures, if applicable. In addition to randomly selecting a test sample, my sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. My samples did not indicate any reportable noncompliance with respect to classification of expenditures.

Board Secretary's Records

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

Treasurer's Records

My audit of the financial statements and accounting records maintained by the Treasurer indicated that they were in satisfactory condition.

Elementary and Secondary Education Act (E.S.E.A.) as amended by 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 the projects under the various applicable programs of the Elementary and Secondary Education Act as amended and reauthorized.

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 Schedule A (K-3) and Schedule B (K-4) located in the ACFR.

My 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 special projects.

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

T.P.A.F. Reimbursement

My audit procedures included a sample of the biweekly reimbursements filed with the Department of Education for the John P. Holland 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 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. 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://nj.gov/dca/dlgs/programs/NJ_LAPL.shtml

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 \$22,400 for 2023-24.

The 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 my audit, I 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

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.

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, I 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. Exceptions were not noted.

I 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. Exceptions were not noted.

Non-program foods were not purchased, prepared, sold, or offered for sale.

Net cash resources did not exceed three months average expenditures.

I inquired of management about the public health emergency procedures that the charter school 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.

The charter school's food service provider is not a FSMC.

STUDENT BODY ACTIVITIES

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

ENROLLMENT COUNTS AND SUBMISSIONS TO THE DEPARTMENT

My audit procedures included a sample of enrollment information on October 15, 2023, and the last day of school for on roll, special education, bilingual and low-income. The results of my 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

My 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 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

In accordance with *Government Auditing Standards*, my procedures included a review of all prior year audit recommendations including findings. Corrective action has been taken on all prior year findings.

Office of Fiscal Accountability and Compliance (OFAC) Findings

There were no Office of Fiscal Accountability and Compliance (OFAC) audit reports issued during the fiscal year ended June 30, 2024.

ACKNOWLEDGEMENT

I received the complete cooperation of all the officials of the school and I greatly appreciate the courtesies extended to me.

Respectfully submitted,

A handwritten signature in black ink, reading "Gerald D. Longo". The signature is written in a cursive style with a large initial "G" and a stylized "L".

Gerald D. Longo
Certified Public Accountant
Licensed Public School Accountant No. 20CS00206400

JOHN P HOLLAND CHARTER SCHOOL
APPLICATION FOR CHARTER SCHOOL AID
ENROLLMENT COUNT AS OF OCTOBER 15, 2023

1		2		2a		2b		2c		3		3a		3b		4		4a											
Submission to DOE reported On Roll		Reported on workpapers		Errors		50% Verification required 10/15/23		Verified signed registration forms		Errors		Verified # days enrolled		Errors		to DOE Reported Special Ed/ Bilingual		Verified documentation		Verified # days Service Provided		Errors		Low Income		Verified documentation		Errors	
Grades																													
Pre-K	89	45	0			45	45	0	45	0		0	0	0	0	0	40	40	0										
K	97	49	0			49	49	0	49	0		0	0	0	0	0	42	42	0										
1	93	47	0			47	47	0	47	0		0	0	0	0	0	41	41	0										
2	76	38	0			38	38	0	38	0		0	0	0	0	0	32	32	0										
3	85	43	0			43	43	0	43	0		0	0	0	0	0	36	36	0										
4	75	38	0			38	38	0	38	0		0	0	0	0	0	32	32	0										
5	25	13	0			13	13	0	13	0		0	0	0	0	0	10	10	0										
6	21	11	0			11	11	0	11	0		0	0	0	0	0	9	9	0										
7	22	11	0			11	11	0	11	0		0	0	0	0	0	10	10	0										
8	22	11	0			11	11	0	11	0		0	0	0	0	0	9	9	0										
Total	605	306	0			306	306	0	306	0		0	0	0	0	0	261	261	0										
Percentage			0.0%					0%		0%						#####				#####								0%	

JOHN P HOLLAND CHARTER SCHOOL
APPLICATION FOR CHARTER SCHOOL AID
ENROLLMENT COUNT AS OF THE LAST DAY OF SCHOOL

<u>1</u>		<u>2</u>		<u>2a</u>		<u>2b</u>		<u>2c</u>		<u>3</u>	<u>3a</u>		<u>3b</u>		<u>4</u>	<u>4a</u>	
Submission to DOE reported On Roll		Reported on workpapers		50% Verification required 6/30/24		Verified signed registration forms		Verified # days enrolled		Submission to DOE Reported Special Ed/ Bilingual	Verified documentation		Verified # days Service Provided		Low Income	Verified documentation	
Grades			Errors			Errors		Errors			Errors		Errors			Errors	
Pre-K	89	44	0		44	44	0	44	0	0	0	0	0	39	39	0	
K	97	48	0		48	48	0	48	0	0	0	0	0	42	42	0	
1	93	46	0		46	46	0	46	0	0	0	0	0	41	41	0	
2	76	38	0		38	38	0	38	0	0	0	0	0	31	31	0	
3	85	42	0		42	42	0	42	0	0	0	0	0	35	35	0	
4	75	37	0		37	37	0	37	0	0	0	0	0	32	32	0	
5	25	12	0		12	12	0	12	0	0	0	0	0	10	10	0	
6	21	10	0		10	10	0	10	0	0	0	0	0	8	8	0	
7	22	11	0		11	11	0	11	0	0	0	0	0	10	10	0	
8	22	11	0		11	11	0	11	0	0	0	0	0	8	8	0	
Total	605	299	0		299	299	0	299	0	0	0	0	0	256	256	0	
Percentage			0.0%				0%	0%			####		#DIV/0!			0%	

JOHN P HOLLAND CHARTER SCHOOL
Net Cash Resource Schedule
Net cash resources did not exceed three months of expenditures
Proprietary Funds - Food Service
For the Fiscal Year Ending June 30, 2024

NOT APPLICABLE

**JOHN P. HOLLAND CHARTER SCHOOL
AUDIT SYNOPSIS RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Recommendations:

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
N/A to charter schools.
7. Charter School Enrollment system (CHE)
None
8. Pupil Transportation
N/A to charter schools.
9. Facilities and Capital Assets
None
10. Miscellaneous
None
11. Status of Prior Year's Findings/Recommendations
Corrective action has been taken on all prior year findings.