

**LEAP ACADEMY UNIVERSITY
CHARTER SCHOOL, INC
COUNTY OF CAMDEN**

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, 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 Chairperson and
Members of the Board of Trustees
LEAP Academy University Charter School, Inc.
County of Camden, 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 LEAP Academy University Charter School, Inc., in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2024, which were separately issued in the Annual Comprehensive Financial Report dated January 8, 2025.

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 LEAP Academy University Charter School, Inc., 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.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Public School Accountant No. CS 002459

Voorhees, New Jersey
January 8, 2025

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

SCOPE OF AUDIT

The audit covered the financial transactions of the School Business Administrator / Chief Financial Officer, the Treasurer of School Moneys, 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>
Yusein Durakov	School Business Administrator	\$250,000.00
Jorgelina Sime	Treasurer of School Moneys (until 2/29/24)	200,000.00
Barbara Jean Murphy	Treasurer of School Moneys (from 4/2/24)	250,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond with New Jersey School Boards Association Insurance Group covering all employees with multiple coverage of \$100,000.00.

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 chief school administrator completed the Charter School data certification. 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 School District 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 Chief Operations Officer/ Lead Person and were certified by the Treasurer and the 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 School Business Administrator 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 Treasurer of School Moneys 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, III 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.

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.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)**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://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 \$20,200.00 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 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 financial transactions and statistical records of the school food service fund were audited. The financial accounts, meal count records, and eligibility applications were tested on a sample basis. No exceptions were noted.

Cash receipts and bank records were sampled for timely deposit. No exceptions were noted.

The Charter School utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC cost reimbursable or fixed price or non-competitive emergency procurement contract / addendum were inspected and audited. The FSMC contract does not include an operating results provision. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the food service account and reconciled to supporting documentation at least annually.

SCHOOL FOOD SERVICE (CONT'D)

Expenditures were separately recorded as food, labor, and other costs. Vendor invoices were sampled, and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

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

Net cash resources did not exceed three months average expenditures.

Employees for food service are provided by the food management company.

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.

Sampled applications for free and reduced price meals were tested 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 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 inspected for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for audit.

USDA Food Distribution Program (food and / or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G of the ACFR.

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 13, 2023, 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

Continuing Disclosure Agreements

The Charter School complied with its most recent continuing disclosure agreements made in relation to prior year bond issuances.

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, 2023.

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

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,

A handwritten signature in cursive script that reads "Bowman & Company LLP".

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in cursive script that reads "Scott P. Baum".

Public School Accountant No. 02459

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Schedule of Meal Count Activity
Food Service Fund
Number of Meals Served and (Over) / Underclaim - Federal
Enterprise Fund
For the Fiscal Year Ended June 30, 2024

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Estimated (Over) / Under Claim</u>
National School Lunch (High Rate)	Paid	22,618	1,152	1,152		\$ 0.42	
	Free	<u>182,669</u>	<u>9,298</u>	<u>9,298</u>		4.27	
	Total	<u>205,287</u>	<u>10,450</u>	<u>10,450</u>			
National School Lunch	HHFKA - PB Lunch Only	<u>205,287</u>	<u>10,450</u>	<u>10,450</u>		0.08	
School Breakfast (Severe Needs Rate)	Paid	1,811	890	890		0.38	
	Free	<u>146,228</u>	<u>7,185</u>	<u>7,185</u>		2.73	
	Total	<u>148,039</u>	<u>8,075</u>	<u>8,075</u>			
After School Snacks	Free (Area Eligible)	<u>11,735</u>	<u>11,735</u>	<u>11,735</u>		1.17	
	Total	<u>11,735</u>	<u>11,735</u>	<u>11,735</u>			
Total Net Underclaim / (Overclaim)							<u>\$ -</u>

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Schedule of Net Cash Resources
Net Cash Resources Did Not Exceed Three Months of Expenditures
Proprietary Funds - Food Service Fund
For the Fiscal Year Ended June 30, 2024

<u>Net Cash Resources:</u>		Food Service B - 4/5	
ACFR	Current Assets		
B-4	Cash & Cash Equivalents	\$ 56,569.27	
B-4	Due from Other Governments	92,796.33	
B-4	Due from Other Funds		
B-4	Other Accounts Receivable	61,635.20	
ACFR	Current Liabilities		
B-4	Less Accounts Payable	(111,075.45)	
B-4	Less Accruals		
B-4	Less Due to Other Funds		
B-4	Less Unearned Revenue		
	Net Cash Resources	<u>\$ 99,925.35</u>	(A)

Net Adjusted Total Operating Expense:

B-5	Total Operating Expenditures	\$ 1,819,915.15	
B-5	Less Depreciation	<u>(48,530.44)</u>	
	Adjusted Total Operating Expense	<u>\$ 1,771,384.71</u>	(B)

Average Monthly Operating Expense:

B / 10	<u>\$ 177,138.47</u>	(C)
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Three Times Monthly Average:

3 X C	<u>\$ 531,415.41</u>	(D)
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TOTAL IN BOX A	\$ 99,925.35
LESS TOTAL IN BOX D	\$ 531,415.41
NET	<u>\$ 431,490.06</u>

From above:

A is greater than D, cash exceeds 3 X average monthly operating expenses.

D is greater than A, cash does not exceed 3 X average monthly operating expenses.

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
APPLICATION FOR CHARTER SCHOOL AID
ENROLLMENT COUNT AS OF OCTOBER 13, 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	125	58			58		10	10		10		54	54	
One	126	61			61		5	5		5		58	58	
Two	125	58			58		7	7		7		57	57	
Three	124	53			53		14	14		14		43	43	
Four	125	60			60		11	11		11		49	49	
Five	126	74			74		16	16		16		61	61	
Six	127	65			65		13	13		13		52	52	
Seven	124	76			76		15	15		15		57	57	
Eight	128	59			59		13	13		13		46	46	
Nine	142	73			73		11	11		11		57	57	
Ten	115	57			57		18	18		18		43	43	
Eleven	129	63			63		17	17		17		38	38	
Twelve	115	60			60		11	11		11		40	40	
Total	1,631	817	-	-	817	-	161	161	-	161	-	655	655	-

Percentage

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
APPLICATION FOR CHARTER SCHOOL AID
ENROLLMENT COUNT AS OF LAST DAY OF SCHOOL YEAR 2024

Grade	Submission to DOE reported On Roll	Reported on Workpapers	Verified signed Registration Forms	Errors	Verified # days enrolled	Errors	Special Ed & or Bilingual	Sample			Verified # days Service Provided	Errors	Low Income	Verified	
								Verified Documentation	Errors					Documentation	Errors
Kindergarten	125	67			67		6	6			6		51	51	
One	126	65			65		9	9			9		52	52	
Two	125	67			67		14	14			14		46	46	
Three	124	71			71		9	9			9		44	44	
Four	125	65			65		7	7			7		48	48	
Five	126	52			52		6	6			6		30	30	
Six	127	62			62		16	16			16		44	44	
Seven	124	48			48		8	8			8		27	27	
Eight	128	69			69		18	18			18		51	51	
Nine	142	69			69		13	13			13		42	42	
Ten	115	58			58		20	20			20		29	29	
Eleven	129	66			66		17	17			17		38	38	
Twelve	115	55			55		12	12			12		33	33	
Total	1,631	814	-	-	814	-	155	155	-		155	-	535	535	-

Percentage

LEAP ACADEMY UNIVERSITY CHARTER SCHOOL, INC.
Audit Recommendations Summary
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 Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

Not applicable

7. Charter School Enrollment (CHE)

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Follow-Up on Prior Year Findings

There were no audit findings for the fiscal year ended June 30, 2023.

