



**New Jersey State Legislature  
Office of Legislative Services  
Office of the State Auditor**

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**Hi-Nella School District**

July 1, 2012 to September 30, 2015.

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**Stephen M. Eells  
State Auditor**

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# New Jersey State Legislature

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The Honorable Stephen M. Sweeney  
President of the Senate

The Honorable Vincent Prieto  
Speaker of the General Assembly

Ms. Peri A. Horowitz  
Executive Director  
Office of Legislative Services

Enclosed is our report on the audit of the Hi-Nella School District for the period of July 1, 2012 to September 30, 2015. If you would like a personal briefing, please call me at (609) 847-3470.

Stephen M. Eells  
State Auditor  
June 21, 2016

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### *Scope*

We have completed an audit of the Hi-Nella School District, a non-operating school district, for the period July 1, 2012 to September 30, 2015. Our audit included financial activities accounted for in the district's General Fund and Enterprise Fund. Annual General Fund expenditures for fiscal years 2010 through 2014 averaged \$1.6 million. The district established the Enterprise Fund in January 2014. Enterprise Fund receipts and expenditures each totaled \$6.3 million since its inception.

As a non-operating school district, the district provides educational services for resident students in grades kindergarten through twelfth by sending them to neighboring districts on a tuition basis. Annual enrollments for school years 2009-2010 through 2013-2014 averaged 113 students, while tuition averaged \$12,600 per student.

The Department of Education appointed a state monitor to oversee the fiscal operations of the district on October 20, 2015.

### *Objective*

The objective of our audit was to determine the primary factors that contributed to the year-end General Fund deficits of \$32,223 and \$528,164 for fiscal years 2012 and 2014 as reported on the district's Comprehensive Annual Financial Reports.

This audit was conducted pursuant to the State Auditor's responsibilities as set forth in the "School District Fiscal Accountability Act", Title 18A:7-57 of the New Jersey Statutes and pursuant to Article VII, Section I, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

### *Methodology*

Our audit was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In preparation for our testing, we studied legislation, the administrative code, and policies of the department and the school district. Provisions that we considered significant were documented and compliance with those requirements was verified by interview, observation, and through our testing of financial transactions. We read the school district's budgets, reviewed financial trends, and interviewed school district personnel to obtain an understanding of the programs and internal controls. In addition, we reviewed annual audit reports issued by public school accountants.



A nonstatistical sampling approach was used. Our samples of financial transactions were designed to provide conclusions about the validity of transactions, as well as internal control and compliance attributes. Sample populations were sorted and transactions were judgmentally selected for testing.

### *Conclusions*

We found the primary factors that contributed to the year-end General Fund deficits in fiscal years 2012 and 2014 at the Hi-Nella School District were improper payments to the Borough of Hi-Nella and the Hi-Nella Fire Company and improper accounting of year-end tuition adjustments. In addition, we found that fiscal year 2013 also had a General Fund deficit but it was not identified in the district's Comprehensive Annual Financial Report. Additionally, we found that the district has not maintained a five-member school board as required by the New Jersey Statutes Annotated 18A:12-6 since January 2014. The lack of a full school board impaired its ability to properly oversee the district operation and execute prudent decisions for the benefit of the district. We also found that the establishment of the Enterprise Fund and the operation of the joint purchasing system were not in compliance with certain laws and regulations. Certain matters will be referred to the state's Division of Criminal Justice.

We also observed the Executive County Superintendent of Camden County proposed the district be dissolved as of June 30, 2010. The superintendent repeated the same recommendation in another report to the Commissioner of the Department of Education dated November 12, 2014.

## **General Fund Deficits**

### **District funds were used to finance construction projects of borough hall.**

The possibility of the Hi-Nella School District's dissolution prompted its board to approve a request to transfer \$450,000 of surplus fund balances to the Borough of Hi-Nella (borough) during a board meeting held on September 14, 2009. The fund transfer request letter to the Camden County Office of Education stated, "The Hi-Nella Board voted to give the borough part of the school's free balance after January 1, 2010." The request was not approved and the funds were not transferred because surplus funds may only be used to reduce the General Fund tax levy required for the budget year per the New Jersey Statutes Annotated 18A:7F-7a.

However, per the district's Comprehensive Annual Financial Reports, during fiscal years 2011 and 2012, the district paid \$194,000 on \$309,000 of purchase orders to the borough and its fire department for the construction of a borough hall. The borough contracted with the South Jersey Technology Partnership (SJTP) of the Sterling High School District for the construction of the borough hall for \$240,000 (see next finding for information on the SJTP). The actual construction cost was \$668,116. The borough hall construction project was initiated and overseen by the director of operations at the SJTP who previously worked as the Hi-Nella School District's School Business Administrator (SBA) through shared services provided by the SJTP. This former SBA claimed these payments were to satisfy past due borough hall rental fees for summer schools held for the past 12 years which would equate to \$16,167 each summer. However, borough hall rentals were not supported by district board resolutions and the district did not have any documentation relating to the summer school programs, such as student attendance records or teacher assignments. These payments adversely affected the district's General Fund balances.

### **Improper accounting of year-end tuition adjustments caused misstated fund balances.**

The district signs tentative tuition contracts with receiving districts at the beginning of each school year and reimburses these districts based on estimated per pupil costs and student enrollments. Tuition adjustments are calculated subsequent to the school year end using actual costs and enrollments. Adjustments are included in future tuition contracts negotiated during the second school year following the contract year per the New Jersey Administrative Code 6A:23A-17.1(f)3. However, the district failed to properly account for tuition adjustments on its financial statements in the year incurred. Our analyses back to fiscal year 2010 disclosed this failure resulted in incorrect fund balances being reported as shown in the following chart.



Fiscal Year	Year-End Fund Balance		Tuition Expense Adjustments	
	Per CAFR	Per Audit	Over(+) / Under(-)	Cumulative
2010	\$ 276,796	\$ 399,398	\$ 122,602	\$ 122,602
2011	48,236	97,474	(73,364)	49,238
2012	(32,223)	(370,530)	(387,545)	(338,307)
2013	31,633	(801,309)	(494,635)	(832,942)
2014	(656,183)	(826,027)	663,098	(169,844)

(Note: Fiscal Year 2014 year-end fund balances do not include a transfer-in from the Enterprise Fund.)

### Recommendation

We recommend the district request reimbursement for the improper payments to the borough and the fire department. In addition, the district should report year-end tuition adjustments on its financial statements in the year incurred to allow for proper fund balance presentation.



### Administrative/Business Management Services – Borough of Hi-Nella

#### The borough failed to provide contracted services to the district.

The district utilized the South Jersey Technology Partnership (SJTP) of the Sterling High School District for its business management services from fiscal years 2001 through 2014 as of December 31, 2013. These services included student registration and tuition contract management. Annual service fees ranged from \$21,880 to \$26,358 for fiscal years 2008 to 2013. This function was taken over by the borough effective January 1, 2014. The district paid \$12,650 in service fees for the period of January 2014 to June 2014. Services to be provided included serving as the general accountant of the district, maintaining all district related records and correspondences, and managing all financial affairs of the district. However, a district's appeal letter to the financial review report prepared by the Department of Education's Office of Fiscal Accountability and Compliance dated December 4, 2014 stated that the borough could not provide the required business services. The district subsequently hired part-time staff for the positions of Board Secretary, Treasurer, and Business Administrator and paid \$3,089 during the same time period it was paying the borough. The district did not seek reimbursement from the borough for the unperformed contracted services. All payments were made from the General Fund.

Nevertheless, the district extended the existing contract with the borough for fiscal year 2015 with a fee of \$29,100 with the knowledge the borough was incapable of providing business services to the district. The district did not make any payments and claimed that the borough was not utilized for the service. However, any contract cancellation was not supported by a board resolution. The district instead continued its relationship with the part-time Board Secretary, Treasurer, and Business Administrator with annual compensation totalling \$19,600.

The district also hired an Attendance Secretary to perform student registration related services which had been a part of the shared services contract with the SJTP. This employee works eight hours a week and receives annual compensation of \$10,080. These costs were improperly made from the Enterprise Fund.

### **Recommendation**

We recommend the district request the borough to refund \$12,650 for services not provided. In addition, the district should consider resuming its business relationship with the SJTP.



## **Enterprise Fund – Joint Purchasing System**

### **The joint purchasing system has conflict of interest and internal control issues.**

The Hi-Nella School District established a joint purchasing system on November 11, 2013 with the district as the lead agency responsible for the management of the system. The system allows two or more local contracting units to join together to share in the costs of purchased services. The lead agency advertises for bids and awards contracts for its own needs and for the needs of the participating members per New Jersey Administrative Code (N.J.A.C.) 5:34-7.2. The district created an Enterprise Fund to account for financial transactions of its joint purchasing system effective in January 2014. Our review of the Enterprise Fund disclosed that the district did not follow regulations in establishing and operating the joint purchasing system. We found no record that this system was properly registered with the Department of Community Affairs (DCA) as required by N.J.A.C. 5:34-7.5. In addition, we noted conflict of interest issues, the lack of adequate controls over purchasing, and other irregular arrangements.

- The district has no schools or buildings and therefore has no need to utilize joint purchasing system contracts making it non-compliant with N.J.A.C. 5:34-7.2. This prompted the DCA to issue a Cease and Desist order effective on January 5, 2015. The order allowed the district to continue any unfinished contracts, but no new contracts could be awarded. However, our review disclosed that the district issued 155 invoices to 20 using entities totalling \$2.4 million from January 6, 2015 to September 30, 2015 of which 115 invoices to 18 entities totalling \$2 million were not related to a prior project.
- The district approved Educational Business Services (EBS) to be the joint purchasing system management firm on December 16, 2013, detailing the service period only with a second board approval on January 13, 2014. Bid specifications for management of the joint purchasing system were not approved until January 27, 2014. The district advertised for bids on the joint purchasing system management contract on January 30, 2014 in a newspaper which was not its official board-designated newspaper for accepting legal advertisement. The bid solicitation stated bids would be accepted until February 14, 2014. However, the district announced in the same newspaper, eight days before the closing date,



that the contract was awarded to EBS. The article also stated the contract was awarded without competitive bidding as a professional service. Joint purchasing system management does not meet the definition of professional services per New Jersey Statutes Annotated (N.J.S.A.) 40A:11-2. The district denied there was no competitive bidding, but was unable to provide evidence such as Request for Proposals (RFPs) from other vendors.

- EBS is owned by immediate family members of a former board official serving the district during bid solicitation and contract awarding. This former board official is also a staff member of EBS per the RFP. These conditions indicate a conflict of interest per N.J.S.A. 18A:12-24. In addition, a written contract was never executed between the district and EBS. The district's contract awarding process was also not in compliance with N.J.S.A 18A:18A-4, 4.4, and 4.5 in regards to a competitive bidding process.
- A participating using entity contacts the district when there is a need. The district, through EBS, functions as the purchasing agent and seeks bids/quotes necessary for the needed project and awards a contract. We judgementally sampled 23 projects and noted that 17 projects lacked proper bids/quotes. One project was awarded to a vendor who did not bid when others did. Contracts awarded to vendors were not always specific as to bid line items or amounts. We further noted that EBS itself was able to bid on projects and to be awarded contracts, which is a conflict of interest. From January 1, 2014 to September 30, 2015, 142 purchase orders totaling \$776,000 were issued to EBS.
- A part-time district employee is also employed by one of the using entities as the Purchasing Agent and Assistant Business Administrator. The district started business dealings with this using entity when this individual was hired by the district. From May 1, 2014 to September 30, 2015, the district's Enterprise Fund gross receipts totalled \$7 million of which \$3 million, or 42 percent, were attributed to this using entity. Calendar year 2014 gross receipts totalled \$4.7 million of which \$1.6 million were from this using entity. Based on the tiered fee structure outlined in the RFP, the district is liable for additional management fees since gross receipts reached \$4 million during calendar year 2014. However, the RFP was not clear on how this charge should be calculated. We estimated this additional charge would be \$68,856 based on prior charges. However, the district has not received a billing for this charge.
- The district paid the Borough of Hi-Nella \$45,743 to have an employee serve as the district's Account Manager to process joint purchasing system related transactions from February 1, 2014 to June 30, 2015 even though the district has no joint purchasing transactions. The district also paid EBS, \$74,823, to have this same individual serve as EBS's Account Manager to process joint purchasing system related transactions from January 1, 2014 to June 30, 2015. Starting July 1, 2015, the district hired this same individual as their Account Manager at a salary of \$38,360. The district does not have a need to separately pay for Account Manager services since such services are included in the scope of work defined in the RFP for the management of the joint purchasing system awarded to EBS. The district paid EBS, \$186,500, to manage and perform joint purchasing

system related services from January 1, 2014 to June 30, 2015.

- The individual hired by the borough as the Account Manager in February 2014 was an employee of the South Jersey Technology Partnership (SJTP) prior to January 4, 2014 and first became a district employee in July 2014 as an Attendance Officer. This arrangement allowed the individual to be eligible for the state's Public Employees Retirement System and continue receiving pension credits, as was the case with the SJTP. The individual has no such benefit available through EBS. However, neither the enrollment nor the contributions took place. As a result of this non-compliance, the borough and the district are liable for half of the employee's contributions that are in arrears.
- The district utilized an Enterprise Fund transfer totalling \$102,800 to reduce the General Fund deficit during fiscal year 2014. The district also disbursed \$51,061 from the same fund to pay for certain General Fund related expenditures during fiscal year 2015. The Enterprise Fund is established on a cost-reimbursement basis and should not subsidize the normal operations of the district. The district violated the very principles of the fund. Any surpluses should be used to offset costs to using entities. The district stated that this payment method utilizing the Enterprise Fund was approved by the Executive County Superintendent whom denies this claim.

### **Recommendation**

We recommend the district adhere to the Department of Community Affairs directive to cease and desist the use of the joint purchasing system. The district should also recover the cost incurred for Account Manager services not provided by EBS and terminate the joint purchasing system management and Account Manager employment contracts. In addition, the General Fund should reimburse the Enterprise Fund \$153,861 for improper transactions made on its behalf.

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### **Observation**

#### **District Dissolution**

Pursuant to the New Jersey Statutes Annotated 18A:7-8(g) & (h), the Executive County Superintendent shall recommend to the Commissioner of the Department of Education a consolidation plan to eliminate districts in the county not operating schools to reduce waste and duplication of services. The Commissioner eliminated two of the Camden County's five non-operating school districts as of June 30, 2009. The County Superintendent proposed to have the Hi-Nella School District eliminated as of June 30, 2010 in the report to the Commissioner dated March 15, 2010.

Following accountability regulations set forth under New Jersey Administrative Code 6A:23A-2.4, the Camden County Executive Superintendent again recommended the district be dissolved by being absorbed by two neighboring school districts in the "Camden County Report on Non-operating School District" dated November 12, 2014.

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*Please Reply to Whippany Office*

June 10, 2016

**VIA EMAIL AND HAND DELIVERY**

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**RE: Hi-Nella Board of Education - Audit Response**

Dear Mr. Pica,

Per our meeting on May 17, 2016, please accept this correspondence as the Hi-Nella Board of Education's ("Board") response to the State's confidential draft audit report dated March 17, 2016. For ease of reference, we have addressed the issues in the order outlined in the State's draft audit report. As we have discussed, we believe many of the documents that would aid your office in completing the audit are being held by the Sterling Board of Education at its South Jersey Technology Partnership ("SJTP") offices. SJTP handled all of the business services for the Board from 2001 until the end of 2013. SJTP has retained the Board's records for those years, and the Board does not have access to those records.

See Auditor Follow-up  
Response #1

**General Fund Deficits**

**Audit Statement #1: District funds were used to finance construction projects of Borough Hall.**

The Board did not provide any funds for construction projects at Hi-Nella Borough Hall. It is the Board's understanding that the Borough of Hi-Nella (the "Borough") issued bonds for the funds used for the construction projects at the

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Borough during the years in question. Since the Board did not provide any funds for any Borough construction projects, it does not have documents related to any construction projects. If any such documents exist relative to the Borough's construction project, the Borough, not the Board, would have any relevant documents. It is the Board's further understanding that SJTP handled the construction work in question for the Borough. While the Board used SJTP's services for its business office from the year 2001 through December 31, 2013, the Borough also used SJTP for shared services, which is how the Borough procured and completed any construction work. Since the Borough is a completely separate entity from the Board, the audit properly notes that it was the Borough that contracted with SJTP for construction, not the Board.

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The Board paid the Borough rent for the use of the municipal hall for the summer school program from 2000 to 2012. Invoices were issued to the Board by the Borough for the summer school rental payments in fiscal years 2010 and 2011. The Board paid these invoices after issuing purchase orders to the Borough. The school Board budget included these rental payments, and these budgets, which included the payment of rent over two budget years for a total of \$309,000, were approved by the County office of the Department of Education for the 2011 and 2012 school years. It is also not disputed that summer school took place in Hi-Nella during those years. Board members children – along with children from Oaklyn, attended summer school. The Oaklyn Board of Education provided the teachers and the aides for the summer school programs for the years in question. In fact, in 2011, a purchase order was issued to the Oaklyn Board of Education for the payment of a teacher's aide for the 2011 school year that was required due to increased enrollment. The Oaklyn Board of Education approved the payment for the aide at its June 21, 2011 Board meeting. The minutes from that meeting indicate that the summer school program was held at the Hi-Nella firehouse. It is the Board's understanding that the Board's records regarding the summer school were maintained by SJTP and remain in their files.

See Auditor Follow-up  
Response #2

**Audit Statement #2: Improper accounting of year-end tuition adjustments caused misstated fund balances.**

The audit report for the 2013-2014 fiscal year demonstrates that at the close of the 2014 fiscal year, the Board's net position and fund balance was a direct result of increased tuition costs. Related tuition expenditures increased in fiscal year 2014 by \$919,356.44 compared to the previous fiscal year. As was explained, this dramatic increase in tuition expenses was related in part to the



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Choice students who were no longer going to be permitted to attend Stratford free of charge.

**Administrative/Business Management Services – Borough of Hi-Nella**

**Audit Statement #3: The Borough failed to provide contracted services to the district.**

The Borough did provide services to the Board from January through June 2014. One employee was hired by the Borough to provide business services to the Board. Purchase orders were provided regarding payments to the Borough for this employee's services.

In 2015, the Board did not make any payments to the Borough, nor did it use the Borough for any business services. The Board hired an employee directly once it established payroll services. The Board utilized Primepoint for payroll services.

Since the confidential draft audit report was received, the Board requested a proposal from SJTP as well as Stratford Board of Education for business services. SJTP did not respond to the Board's request for a proposal. Stratford Board of Education did respond and Stratford's proposal was approved by the Board at its May 9, 2016 Board meeting.

See Auditor Follow-up  
Response #3

**Enterprise Fund – Joint Purchasing System**

**Audit Statement #4: The joint purchasing system has conflict of interest and internal control issues.**

The Board established a joint purchasing system which was approved by the State. The approval was mailed on November 19, 2013 (and confirmed in an email from the Division of Local Government Services.). The State issued the Board a Joint Purchasing ID number of 234HNSDJPS. The Request for Registration of a Joint Purchasing System, Cooperative Purchasing Form CP 2001, dated November 11, 2011, as well as a confirming email from the Division of Local Government Services, indicating that the approval letter for the system was mailed, were provided as part of the audit. The Board believes that the approval letter from the Division of Local Government Services is maintained at SJTP.

See Auditor Follow-up  
Response # 4



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While a cease and desist letter was issued Jan 5, 2015, the Board was permitted to complete any unfinished contracts, but not to award any new contracts. The Board followed this directive.

The Board did not issue any new purchase orders under the joint purchasing system. The Board did, however, continue to provide shared services with other entities. Shared Services Agreements were utilized and provided.

#### **Approval of EBS:**

The Board initially approved EBS on December 16, 2013 after SJTP/Sterling advised the Board that SJTP did not want to manage the Board's business services any longer. At the Board's January 13, 2014 re-organization meeting, the Board confirmed professional services appointments, including EBS to manage the shared services operation. On January 27, 2014, the Board was advised of an issue with the appointment of EBS. Specifically, the Board was advised that the acting Superintendent, who was acting on a volunteer/unpaid basis, could not recommend the appointment of EBS as a vendor, since it was owned by the volunteer's wife. In accordance with that advice, the acting superintendent resigned as the Board's volunteer superintendent, and the award of the proposal submitted by EBS in December, 2013 was rescinded by the Board at its February 17, 2014 Board meeting. The Board minutes from the February 17, 2014 Board meeting indicate that EBS's contract was terminated, and that the Board would provide EBS with a thirty day cancellation notice in accordance with the proposal received in December, 2013. The Board minutes also indicate that "current contracts may be converted as part of our bid award." The Board had published new bid specifications for business services management, along with other goods and services. This bid was published on January 30, 2014 in the Central Record. The bidding for shared services management closed on February 14, 2014 at 11:00 am as indicated in the bid advertisement. EBS was the only bidder to respond. The bid was awarded to EBS at the Board meeting on February 17, 2014. At that time, the former volunteer superintendent was no longer volunteering for the Board. The December, 2013 RFP, the bid specifications advertised on January 30, 2014, and the responses thereto were provided.

#### **Local Board of Education as a using entity**

The local board of education discussed in the audit did business with SJTP/Sterling prior to doing business with the Board. In addition, the Board

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entered into a Shared Services Agreement with this local board of education in November, 2013, more than 8 months before the current Board business administrator was hired. A copy of the November, 2013 Shared Services Agreement between the Board and this local board of education was provided. The Board's current business administrator did not work for the Board in November, 2013. She started with the Board in June, 2014, long after the Board was doing shared services with this local board of education. In addition, prior to becoming the Board's business administrator, the Board requested an opinion from the County regarding whether her position as a purchasing agent for this other local board of education would create a conflict of interest. After initially indicating there was a conflict of interest, the County reconsidered and approved her contract with the Board. During her time as the Board's business administrator, she has always been a purchasing agent for the other local board of education. She has never made any recommendations regarding Hi-Nella, or Hi-Nella shared services agreements to the other local board of education either before or after she was hired as the Board business administrator.

The Board has complied with the DCA's directive and, of course, will continue to do so. At its meeting on April 18, 2016, the Board resolved to terminate all shared services effective June 30, 2016. No new shared services agreements have been approved, and all current vendors and local units are being notified of the Board's decision to terminate all shared services agreements.

#### **District Dissolution:**

The Board has no objection to dissolution, and will of course follow any directive from the State with regard to dissolution. The Board has never received any information or direction from the State regarding dissolution.

#### **Board Membership:**

The Board currently has 3 members. The Board has continuously requested assistance from the County to fill vacant seats.

The Board has also maintained a posting on its website advertising the Board vacancies, seeking interested candidates. On April 14, 2016 the Board received an email from a resident indicating an interest in becoming a Board member. This individual's name was immediately forwarded to the County office for consideration/appointment.

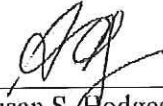


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Thank you for your attention and consideration of this additional information. Please advise if we can provide any additional documentation for review.

Very truly yours,

Schwartz Simon  
Edelstein & Celso LLC

By:   
Susan S. Hodges  
A MEMBER OF THE FIRM

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Mike Azzara





## **Auditor's Follow-up Response**

The Hi-Nella Board of Education response to our audit includes several comments that we believe require clarification.

### ***Auditor Follow-up Response #1***

Under normal conditions, the district should have unrestricted access to records maintained by the SJTP under their service agreement. However, litigation brought by the SJTP against the district appears to have impaired cooperation between these entities. Nonetheless, all information available at the SJTP was obtained by us during the audit.

### ***Auditor Follow-up Response #2***

We acknowledge the borough has issued bond anticipation notes for construction projects. In addition, as noted in our finding, the district provided funds to the borough for use in the construction of a municipal building as disclosed in their Comprehensive Annual Financial Reports (CAFRs). Furthermore, the premise these payments were for twelve years of rent has not been supported through documents provided by the district or obtained from the SJTP and is contrary to the notes to the financial statements that were provided by the district for their CAFR.

### ***Auditor Follow-up Response #3***

The board's response relates to a second unrelated agreement that was entered into whereby the borough hired a new employee as an account manager for the joint purchasing system. Our finding relates to business services under the initial agreement between the borough and the district whereby services were paid for but not rendered.

### ***Auditor Follow-up Response #4***

Documentation of an email was provided subsequent to our post-audit conference indicating an approval letter was mailed for the joint purchasing system. However, as noted in our finding, confirmation of registration of the joint purchasing system with the Department of Community Affairs could not be obtained; nor was an approval letter included in the documentation obtained from the SJTP. Furthermore, the shared service agreements referred to in the board's response are in actuality joint purchasing agreements that should adhere to the Department of Community Affairs' Cease and Desist order.