

***BURCH CHARTER SCHOOL OF EXCELLENCE***

***AUDITOR'S MANAGEMENT REPORT***

***FISCAL YEAR ENDED JUNE 30, 2022***

***Barre & Company LLC***  
***Certified Public Accountants & Consultants***

**BURCH CHARTER SCHOOL OF EXCELLENCE**

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

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**BARRE & COMPANY LLC**  
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**Report of Independent Auditors**


Honorable President and  
Members of the Board of Trustees  
Burch Charter School of Excellence  
Irvington, New Jersey

We 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 Burch Charter School of Excellence in the for the year ended June 30, 2022, and have issued our report thereon dated February 15, 2023.

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 Burch Charter School of Excellence 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.

  
BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountants

  
Richard M. Barre  
Public School Accountant  
PSA Number CS-O1181

Union, New Jersey  
February 15, 2023

## **Administrative Findings – Financial, Compliance and Performance**

### **Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and 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 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>
Joel Julien	Business Administrator	\$159,000.00
Frank Glien	Treasurer	\$159,000.00

#### Tuition Charges

A review of 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.

### **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 Board 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, the Board Secretary/Business Administrator, and the Chief School Administrator.

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

Payrolls were delivered to the treasurer of school moneys with a warrant made to his order for the full amount of each payroll.

## **Administrative Findings – Financial, Compliance and Performance**

### **Financial Planning, Accounting and Reporting (Continued)**

#### **Reserve for Encumbrances and Accounts Payable**

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

#### **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 test of transactions of randomly selected expenditure items. We also reviewed the coding of the all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, a transaction error rate of 1.90% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

##### **A. General Classification Findings**

No exceptions or discrepancies were noted in the general classification of expenditures.

##### **B. Administrative Classification Findings**

No exceptions or discrepancies were noted in the administrative classification of expenditures.

#### **Board Secretary's Records**

Our review of the financial and accounting records maintained by the business office disclosed no exceptions or discrepancies.

#### **Treasurer's Records**

There were no items noted during our review of the records of the Treasurer.

#### **Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001**

The E.S.E.A./NCLB 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 and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. did not indicate any areas of noncompliance and/or questionable cost.

## **Administrative Findings – Financial, Compliance and Performance**

### **Financial Planning, Accounting and Reporting (Continued)**

#### **Other Special Federal and/or State Projects**

The Charter School's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

Our audit of the federal and state funds on a test basis, indicated the 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 study of compliance for the special projects did not indicate any areas of noncompliance.

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

Our audit procedures included a test of the biweekly reimbursements (electronic, but Charter Schools can print out the DOENET screen for an auditor) filed with the Department of Education for Charter School employees who are members of the Teachers' Pension and Annuity Fund. 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 school contracts in general (as of June 2007) is available on the website: <http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>.

Current statute is posted on the New Jersey Legislature website at:  
[http://lis.njleg.state.nj.us/cgi-bin/om\\_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC\\_Frame\\_Pg42](http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC_Frame_Pg42)

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (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 effective 2021-22.

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.

## **Administrative Findings – Financial, Compliance and Performance**

### **School Purchasing Programs (Continued)**

Based on the results of my examination, 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 of *N.J.S.A. 18A:18A-4*, amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for “Professional Services” per *N.J.S.A. 18A:18A-5*.

### **School Food Service**

#### **PUBLIC HEALTH EMERGENCY**

In accordance with the Governor’s Declaration of Emergency pertaining to the public health emergency all Public, Charter, Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to eligible students during the period of school closures. Governor Murphy’s emergency declaration ended June 4, 2021; however, the United States Department of Agriculture’s federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

During SY 2020-2021 the public health emergency was still applicable. As a result, School Food Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) option. SFAs could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

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 (new) 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, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. There were no exceptions noted. We also inquired of school management, or appropriate school food service personnel, as to whether the SFA’s expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

## **Administrative Findings – Financial, Compliance and Performance**

### **School Food Service (Continued)**

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

We inquired of management about the public health emergency procedures/practices that the SFA 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.

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

No Exceptions Noted.

### **Student Body Activities**

During our review of the student activity funds, there were no items noted.

### **Enrollment Counts and Submissions to the Department**

Our audit procedures included a test of enrollment information reported on October 15, 2021 and the last day of school for on-roll, special education, bilingual and low-income.

### **Follow-up on Prior Year Findings**

Not Applicable

### **Acknowledgment**

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.



**SCHEDULE OF AUDITED ENROLLMENTS**

**BURCH CHARTER SCHOOL OF EXCELLENCE  
APPLICATION FOR CHARTER SCHOOL AID  
ENROLLMENT COUNT AS OF OCTOBER 16, 2021**

Grades	Submission to DOE Reported on Roll	Reported on Workpapers	Verified Signed		Verified # Days Enrolled	Special Ed/ Bilingual		Verified Documentation		Verified # of Days Service Provided	Low Income	Verified Documentation	Errors
			Registration Forms	Errors		Errors	Documentation	Errors	Income				
Kindergarten	53	53	53	-	53	-	-	-	-	-	10	10	
One	64	64	64	-	64	-	-	-	-	-	43	43	
Two	55	55	55	2	55	2	2	2	2	2	50	50	
Three	63	63	63	1	63	1	1	1	1	1	53	53	
Four	57	57	57	1	57	1	1	1	1	1	54	54	
Five	46	46	46	3	46	3	3	3	3	3	38	38	
Totals	338	338	338	-	338	7	7	7	7	7	248	248	-

Percentage 0.00% 0.00% 0.00% 0.00% 0.00%

**SCHEDULE OF AUDITED ENROLLMENTS**

**BURCH CHARTER SCHOOL OF EXCELLENCE**  
**APPLICATION FOR CHARTER SCHOOL AID**  
**ENROLLMENT COUNT AS OF LAST DAY OF SCHOOL YEAR 2022**

Grades	Submission to DOE Reported on Roll	Reported on Workpapers	Verified Signed		Verified # Days Enrolled	Special Ed/ Bilingual		Verified Documentation		Verified # of Days Service Provided	Low Income	Verified Documentation	Errors
			Registration Forms	Errors		Errors	Documentation	Errors	Income				
Kindergarten	53	53	53	-	53	-	-	-	-	-	10	10	
One	62	62	62	-	62	-	-	-	-	-	40	40	
Two	55	55	55	2	55	2	2	2	2	2	49	49	
Three	61	61	61	1	61	1	1	1	1	1	51	51	
Four	56	56	56	1	56	1	1	1	1	1	53	53	
Five	48	48	48	3	48	3	3	3	3	3	38	38	
Totals	335	335	335	-	335	7	7	7	7	7	241	241	-

Percentage      0.00%      0.00%      0.00%      0.00%

**BURCH CHARTER SCHOOL OF EXCELLENCE  
AUDIT RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Findings and 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/Charter School Enrollment System/Charter School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

None