

***THE VILLAGE CHARTER SCHOOL
AUDITOR'S MANAGEMENT REPORT
FISCAL YEAR ENDED JUNE 30, 2023***

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

THE VILLAGE CHARTER SCHOOL

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

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Report of Independent Auditors


Honorable President and
Members of the Board of Trustees
The Village Charter School
County of Mercer, 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 The Village Charter School in the for the year ended June 30, 2023, and have issued our report thereon dated November 28, 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 The Village 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.


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

Union, New Jersey
November 28, 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> |
|---------------------|------------------------|---------------|
| Glenn A. Richardson | Business Administrator | \$172,500.00 |

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

Auditors should refer to Section I, Chapter 5, Bids & Contracts/Purchasing for highlights of *N.J.S.A. 18A:18A-3* and 4.

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 for 2022-2023.

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

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, 2023. Food Service Agencies operated under this federal waiver.

During SY 2021-2022 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 also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible 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.

Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

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.

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, 2022 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

THE VILLAGE CHARTER SCHOOL
 APPLICATION FOR CHARTER SCHOOL AID
 ENROLLMENT COUNT AS OF OCTOBER 15, 2022

| Grades | Submission to DOE Reported on Roll | Sample | | | | | | | | | | Errors | Percentage | | | |
|--------------|------------------------------------------|---------------------------|---------------------------------------|--------|-----------------------------|--------|--------------------------|---------------------------|--------|----------------------------------------|--------|--------|------------|---------------|---------------------------|--------|
| | | Reported on Workpapers | Verified Signed Registration Forms | Errors | Verified # Days Enrolled | Errors | Special Ed/ Bilingual | Verified Documentation | Errors | Verified # of Days Service Provided | Errors | | | Low Income | Verified Documentation | Errors |
| Kindergarten | 40 | 20 | 20 | - | 20 | - | - | - | - | - | - | - | - | 36 | 36 | - |
| One | 39 | 19.50 | 20 | 3 | 20 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 32 | 32 | 3 |
| Two | 41 | 20.50 | 21 | 3 | 21 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 35 | 35 | 3 |
| Three | 40 | 20 | 20 | - | 20 | - | - | - | - | - | - | - | - | 34 | 34 | - |
| Four | 40 | 20 | 20 | 7 | 19 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 35 | 35 | 7 |
| Five | 40 | 20 | 20 | 7 | 20 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 33 | 33 | 7 |
| Six | 42 | 21 | 21 | 5 | 21 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 34 | 34 | 5 |
| Seven | 42 | 21 | 21 | 5 | 21 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 32 | 32 | 5 |
| Eight | 36 | 18 | 18 | 8 | 18 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 29 | 29 | 8 |
| Totals | 360 | 176 | 176 | - | 176 | - | 38 | 38 | - | 38 | - | 38 | - | 300 | 300 | - |
| Percentage | | | | 0.00% | | 0.00% | | | 0.00% | | 0.00% | | 0.00% | | | 0.00% |

SCHEDULE OF AUDITED ENROLLMENTS

THE VILLAGE CHARTER SCHOOL
 APPLICATION FOR CHARTER SCHOOL AID
 ENROLLMENT COUNT AS OF LAST DAY OF SCHOOL YEAR 2023

| Grades | Submission to DOE Reported on Roll | Sample | | | | | | | | | | Errors | Percentage | | | |
|--------------|------------------------------------------|---------------------------|---------------------------------------|--------|-----------------------------|--------|--------------------------|---------------------------|--------|----------------------------------------|--------|--------|------------|---------------|---------------------------|--------|
| | | Reported on Workpapers | Verified Signed Registration Forms | Errors | Verified # Days Enrolled | Errors | Special Ed/ Bilingual | Verified Documentation | Errors | Verified # of Days Service Provided | Errors | | | Low Income | Verified Documentation | Errors |
| Kindergarten | 40 | 20 | 20 | - | 20 | - | - | - | - | - | - | - | - | 34 | 34 | - |
| One | 39 | 21 | 21 | 3 | 21 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 32 | 32 | 3 |
| Two | 40 | 20 | 20 | 3 | 20 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 34 | 34 | 3 |
| Three | 39 | 21 | 21 | - | 21 | - | - | - | - | - | - | - | - | 33 | 33 | 3 |
| Four | 40 | 20 | 20 | 7 | 20 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 35 | 35 | 7 |
| Five | 39 | 20 | 20 | 6 | 20 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 32 | 32 | 6 |
| Six | 42 | 21 | 21 | 5 | 21 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 33 | 33 | 5 |
| Seven | 41 | 20.50 | 20 | 5 | 20 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 30 | 30 | 5 |
| Eight | 37 | 18.50 | 19 | 8 | 19 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 29 | 29 | 8 |
| Totals | 357 | 179 | 179 | - | 179 | - | 37 | 37 | - | 37 | - | 37 | - | 292 | 292 | - |
| Percentage | | | | 0.00% | | 0.00% | | | 0.00% | | 0.00% | | 0.00% | | | 0.00% |

**THE VILLAGE CHARTER SCHOOL
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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