

TEANECK COMMUNITY CHARTER SCHOOL
AUDITOR'S MANAGEMENT REPORT
FISCAL YEAR ENDED JUNE 30, 2024

TEANECK COMMUNITY CHARTER SCHOOL

COUNTY OF BERGEN

REPORT OF AUDIT ON ADMINISTRATIVE FINDINGS
Financial, Compliance and Performance

FISCAL YEAR ENDED JUNE 30, 2024

**TEANECK COMMUNITY CHARTER SCHOOL
REPORT OF AUDIT ON ADMINISTRATIVE FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
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Independent Auditors' Report

Honorable President and Members of the Board of Trustees
Teaneck Community Charter School
County of Bergen, 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 financial statements of the Board of Trustees of the Teaneck Community Charter School in the County of Bergen for the fiscal year ended June 30, 2024. We have issued our Annual Comprehensive Financial Report dated November 30, 2024.

As part of our audit, we performed procedures required by the New Jersey Department of Education. 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 Teaneck Community 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.

Frank Di Maria

Frank Di Maria
Licensed Public-School Accountant
PSA No. CR00463
Di Maria & Associates LLP
Lodi, New Jersey

November 30, 2024

**TEANECK COMMUNITY CHARTER SCHOOL
REPORT OF AUDIT ON ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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Administrative Practices and Procedures

Insurance

Multi-Peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the Charter School's APCR.

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

Thomas Jazowski	School Business Administrator / Board Secretary	\$	155,000
Ernie Turner	School Treasurer	\$	155,000

The adequacy of the treasurer's surety bond was verified as required by N.J.S.A. 18A:17-32.

Tuition Charges

A review of financial statements indicated that the Charter School charged no tuition for any student attending the Charter School.

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Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis 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 withholdings due to the general fund.

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

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No material 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 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 less than 1.90% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

General Classification Findings:

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

Administrative Classification Findings:

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

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Financial Planning, Accounting and Reporting (Continued)

Board Secretary Records

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

Opening balances of school records were not brought into agreement with audited balances.

Anticipated Revenues (Fund 10) were not entered into system.

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) / As amended by every student succeeds act (E.S.S.A.)

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the AFCR. This section of the AFCR documents the financial position pertaining to the projects under Title I, Title II, and IV of the Elementary and Secondary Education Act.

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

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 AFCR.

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 AFCR. This section of the AFCR 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.

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REPORT OF AUDIT ON ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Financial Planning, Accounting and Reporting (Continued)

T.P.A.F. Reimbursement

Our audit procedures included a test of the semi-monthly 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.

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. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

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Financial Planning, Accounting and Reporting (Continued)

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, is available on the NJ local agency procurement laws 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>

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 \$19,600.

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.

Based on the results of our examination, 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.

**TEANECK COMMUNITY CHARTER SCHOOL
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FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Enrollment Counts and Submissions to the Department

Our audit procedures included a test of enrollment information reported on October 15, 2023 and the last day of the school for on-roll, special education, bilingual and low income.

**TEANECK COMMUNITY CHARTER SCHOOL
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FINANCIAL, COMPLIANCE AND PERFORMANCE
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Testing for Lead of all Drinking Water in Educational Facilities

The Charter School did submit the annual statement of assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(a).

**TEANECK COMMUNITY CHARTER SCHOOL
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Effect on Internal Controls due to COVID-19

With the increase in employees working remotely due to COVID-19 especially those in the Business Office it is vital that the School routinely reviews the internal controls in place especially with respect to security of passwords as well as access rights to accounting software and bank information including bank wire transfers and the timely back-up of records.

TEANECK COMMUNITY CHARTER SCHOOL
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Follow-up on Prior Year Findings

Not Applicable.

**TEANECK COMMUNITY CHARTER SCHOOL
REPORT OF AUDIT ON ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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.

TEANECK COMMUNITY CHARTER SCHOOL
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR CHARTER SCHOOL AID
ENROLLMENT COUNT AS OF OCTOBER 13, 2023

Grades	Submissions to	Reported on	Errors	50% Verification	Verified signed	Errors	Verified #	Errors	Submissions to	Verified	Errors	Verified # Days	Errors	Low	Verified	Errors
	DOE Reported								DOE Reported							
	on Roll	Workpapers		Required	Registration		Days		ELL	Documentation		Service		Income	Documentation	
Kindergarten	44	44	-	22	22	-	22	-	-	-	-	-	-	-	-	-
One	45	45	-	23	23	-	23	-	-	-	-	-	-	-	-	-
Two	43	43	-	22	22	-	22	-	1	1	-	1	-	-	-	-
Three	42	42	-	21	21	-	21	-	4	4	-	4	-	2	2	-
Four	40	40	-	20	20	-	20	-	3	3	-	3	-	2	2	-
Five	33	33	-	17	17	-	17	-	-	-	-	-	-	-	-	-
Six	33	33	-	17	17	-	17	-	-	-	-	-	-	-	-	-
Seven	28	28	-	14	14	-	14	-	1	1	-	1	-	-	-	-
Eight	30	30	-	15	15	-	15	-	-	-	-	-	-	-	-	-
Totals	338	338	-	171	171	-	171	-	9	9	-	9	-	4	4	-
Special Education:																
Elementary	14	14	-	7	7	-	7	-	-	-	-	-	-	1	1	-
Middle School	15	15	-	8	8	-	8	-	-	-	-	-	-	1	1	-
	367	367	-	186	186	-	186	-	9	9	-	9	-	6	6	-
Percentage			0%			0%		0%			0%		0%			0%

TEANECK COMMUNITY CHARTER SCHOOL
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR CHARTER SCHOOL AID
ENROLLMENT COUNT AS OF LAST DAY - 06/21/24

Grades	Submissions to	Reported on	Errors	50% Verification	Verified signed	Errors	Verified #	Errors	Submissions to	Verified	Errors	Verified # Days	Errors	Low	Verified	Errors
	DOE Reported								DOE Reported							
	on Roll	Workpapers		Required	Registration		Days		ELL	Documentation		Service		Income	Documentation	
Kindergarten	44	44	-	22	22	-	22	-	5	5	-	5	-	1	1	-
One	45	45	-	23	23	-	23	-	2	2	-	2	-	1	1	-
Two	43	43	-	22	22	-	22	-	1	1	-	1	-	-	-	-
Three	41	41	-	21	21	-	21	-	4	4	-	4	-	2	2	-
Four	39	39	-	20	20	-	20	-	3	3	-	3	-	2	2	-
Five	33	33	-	17	17	-	17	-	-	-	-	-	-	-	-	-
Six	33	33	-	17	17	-	17	-	-	-	-	-	-	-	-	-
Seven	28	28	-	14	14	-	14	-	1	1	-	1	-	-	-	-
Eight	30	30	-	15	15	-	15	-	-	-	-	-	-	-	-	-
Totals	336	336	-	171	171	-	171	-	16	16	-	16	-	6	6	-
Special Education:																
Elementary	16	16	-	8	8	-	8	-	-	-	-	-	-	1	1	-
Middle School	17	17	-	9	9	-	9	-	-	-	-	-	-	1	1	-
	369	369	-	188	188	-	188	-	16	16	-	16	-	8	8	-
Percentage			0%			0%		0%			0%		0%			0%

**TEANECK COMMUNITY CHARTER SCHOOL
REPORT OF AUDIT ON ADMINISTRATIVE FINDINGS
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EXCESS SURPLUS CALCULATION

N.J.S.A. 18A:7F-7 requires that excess surplus for regular school districts and charter schools is calculated using 2% for June 30, 2005 and thereafter. Pursuant to P.L. 2007, c.62, the minimum is \$250,000, effective with the year ending June 30, 2007.

Charter schools are not subject to the excess surplus limitations. Charter school auditors are required to document the calculation of excess surplus pursuant to N.J.S.A. 18A:7F-7 solely for the purpose of adherence to N.J.A.C. 6A:23A-22.4(e), which provides that a district board of education may petition the Commissioner to pay a lower per-pupil rate if the charter school spends "significantly less than budgeted and has accumulated a sizable surplus."

CALCULATION:

Complete Sections 1 and 2. If the total of Section 2 is greater than the applicable portion of Section 1, enter the difference in Section 3. If the difference results in a negative, enter a zero in Section 3. The applicable sections are to be submitted as part of the Auditor's Management Report.

Note that beginning with the excess surplus calculation for the year ending June 30, 2012 the transfer to food services is not an allowable adjustment (increase) to total general fund expenditures.

**TEANECK COMMUNITY CHARTER SCHOOL
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section 1

A. 2% Calculation of Excess Surplus

2023-24 Total General Fund Expenditures per the ACFR, Ex. C-1	\$	8,609,282	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund		-	(B1a)
Transfer from Capital Reserve to Capital Projects Fund		-	(B1b)
Transfer from General Fund to SRF for PreK-Regular		-	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion		-	(B1d)
Decreased by:			
Oh-Behalf TPAF Pension & Social Security		(1,434,485)	(B2a)
Assets Acquired Under Capital Leases		-	(B2b)
Adjusted 2023-24 General Fund Expenditures		<u>7,174,797</u>	(B3)
2% of Adjusted 2023-24 General Fund Expenditures		143,496	(B4)
Enter Greater of (B4) or \$250,000		250,000	(B5)
Increased by: Allowable Adjustment *		<u>-</u>	(K)
Maximum Unassigned Fund Balance/Undesignated-Unreserved Fund Balance	\$	<u>250,000</u>	(M)

Section 2

Total General Fund - Fund Balance @ 6/30/2024 (Per ACFR Budgetary Comparison Schedule C-1)	\$	3,098,348	(C)
Decrease by:			
Year-end Encumbrances		-	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures		-	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures		-	(C3)
Other Restricted Fund Balances ****		-	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditur		<u>-</u>	(C5)
Total Unassigned Fund Balance	\$	<u>3,098,348</u>	(U1)

Section 3

Restricted Fund Balance - Excess Surplus ***	\$	<u>-</u>	(E)
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Recapitulation of Excess Surplus as of June 30, 2024

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	-	(C3)
Reserved Excess Surplus ***		<u>-</u>	(E)
Total Excess Surplus	\$	-	(D)

**TEANECK COMMUNITY CHARTER SCHOOL
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Footnotes:

* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for: (H) Federal Impact Aid. The passage of P.L. 2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2015 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);

(I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);

(J1) Extraordinary Aid;

(J2) Additional Nonpublic School Transportation Aid;

(J3) Recognized current year School Bus Advertising Revenue; and

(J4) Family Crisis Transportation Aid.

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$	-	(H)
Sale & Lease-back		-	(I)
Extraordinary Aid		-	(J1)
Additional Nonpublic School Transportation Aid		-	(J2)
Current Year School Bus Advertising Revenue Recognized		-	(J3)
Family Crisis Transportation Aid		-	(J4)
		<hr/>	
Total Adjustments	\$	-	(K)

** This amount represents the June 30, 2023 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2023 ACFR and must agree to Audit Summary Worksheet Line 90030.

**** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions	\$	-	
Approved unspent		-	
Sale/lease-back reserve		-	
Capital reserve		-	
Maintenance reserve		-	
Emergency reserve		-	
Tuition reserve		-	
School Bus Advertising 50% Fuel Offset Reserve - current year		-	
School Bus Advertising 50% Fuel Offset Reserve - prior year		-	
Impact Aid General Fund Reserve (Sections 8002 and 8003)		-	
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)		-	
Other state/government mandated reserve		-	
[Other Restricted Fund Balance not noted above] ****		-	
		<hr/>	
Total Other Restricted Fund Balance	\$	-	(C4)

**TEANECK COMMUNITY CHARTER SCHOOL
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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
NONE
7. Charter School Enrollment System (CHE)
NONE
8. Pupil Transportation
NONE
9. Facilities and Capital Assets
NONE
10. Miscellaneous
NONE
11. Status of Prior Year Audit Findings/Recommendations
NONE