

***UNITY CHARTER SCHOOL***  
***AUDITOR'S MANAGEMENT REPORT***  
***FISCAL YEAR ENDED JUNE 30, 2024***

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

## UNITY 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  
Unity Charter School  
Morris Township, 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 Unity Charter School in the for the year ended June 30, 2024, and have issued our report thereon dated December 27, 2024.

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 Unity 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  
December 27, 2024

## **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>
Altea Qirjako	Business Administrator	\$146,750.00
Christopher Lessard	Treasurer	\$146,750.00

#### **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**

##### **Finding Item #2024-001 (ACFR Finding #2024-001).**

As of June 30, 2024 the Charter School has reported a negative fund balance.

##### **Recommendations:**

Develop and implement a corrective action plan aimed at restoring the fund balance to a positive amount.

##### **Finding Item #2024-002 (ACFR Finding #2024-002).**

The Charter School has overspent its approved budget for the current fiscal year.

##### **Recommendations:**

Strengthen the budgeting process by incorporating more conservative estimates.

##### **Finding Item #2024-003 (ACFR Finding #2024-003).**

The Charter School has commingled After-school program fund with Fundraising Activities.

##### **Recommendations:**

Immediately establish separate accounts for each fund accordingly.

#### **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.

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

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

#### **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.

#### **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)

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

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

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 2023-2024.

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 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.

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 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,

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

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

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.

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 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. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

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

No Exceptions Noted.

### **After Care**

An additional "business" operation is also established as the Charter School maintains an After Care program through its Enterprise Account, whereby the school provided supervisory services after school hours, for its students and their families. As per prior years, while a separate bank account is not required for this operation, it has been recommended that the receipts and disbursements related to this business operation be separated out from the other Enterprise Programs, on all appropriate reports and statements. This has been effectively carried out by a separate and distinct prefix designation, for all accounts pertaining to the After Care Program.

### **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, 2023 and the last day of school for on-roll, special education, bilingual and low-income.



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

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

Proper record keeping of expenditures was not maintained

Finding #2023-001

Status: Corrected

Charter School does not maintain an accurate capital asset listing

Finding #2023-002

Status: Corrected

### **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

UNITY CHARTER SCHOOL  
APPLICATION FOR CHARTER SCHOOL AID  
ENROLLMENT COUNT AS OF OCTOBER 15, 2023

Grades	Submission to DOE Reported on Roll	Sample												
		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	27	14	14		14		1	1		1		-	-	
One	23	12	12		12		4	4		4		-	-	
Two	31	16	16		16		3	3		3		2	2	
Three	30	15	15		15		5	5		5		-	-	
Four	23	12	12		12		1	1		1		4	4	
Five	28	14	14		14		6	6		6		3	3	
Six	26	13	13		13		6	6		6		2	2	
Seven	26	13	13		13		9	9		9		2	2	
Eight	28	14	14		14		7	7		7		-	-	
Totals	242	121	121	-	121	-	42	42	-	42	-	13	13	-
Percentage				0.00%		0.00%			0.00%		0.00%			0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**UNITY CHARTER SCHOOL**  
APPLICATION FOR CHARTER SCHOOL AID  
ENROLLMENT COUNT AS OF LAST DAY OF SCHOOL YEAR 2024

Grades	Submission to DOE Reported on Roll	Sample												
		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	29	15	15		15		1	1		1		1	1	
One	27	14	14		14		4	4		4		2	2	
Two	31	16	16		16		3	3		3		2	2	
Three	27	14	14		14		4	4		4		3	3	
Four	24	12	12		12		1	1		1		1	1	
Five	26	13	13		13		5	5		5		5	5	
Six	26	13	13		13		5	5		5		4	4	
Seven	25	13	13		13		8	8		8		3	3	
Eight	28	14	14		14		7	7		7		4	4	
Totals	243	122	122	-	122	-	38	38	-	38	-	25	25	-
Percentage				0.00%		0.00%			0.00%		0.00%			0.00%

**UNITY CHARTER SCHOOL  
AUDIT RECOMMENDATION SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Findings and Recommendations:**

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

**There is three exceptions noted as item #2024-001 through #2024-003**

#2024-001: That the school develops corrective action plan to restore the deficit fund balance.

#2024-002: That the Charter school strengtgens budgeting process in order to avoid overspending the budget

#2024-002: That the Charter school maintains separate accounts for after-school and fundraising funds.

3. School Purchasing Programs

None

4. School Food Service

None

5. After Care

None

6. Student Body Activities

None

7. Application for State School Aid/Charter School Enrollment System/Charter School Aid

None

8. Pupil Transportation

None

**UNITY CHARTER SCHOOL  
AUDIT RECOMMENDATION SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Findings and Recommendations (Continued):**

9. Facilities and Capital Assets

None

10. Miscellaneous

None

11. Status of Prior Year Audit Findings/Recommendations

Proper record keeping of expenditures was not maintained

Finding #2023-001

Status: Corrected

Charter School does not maintain an accurate capital asset listing

Finding #2023-002

Status: Corrected