

VOICE Charter School

Financial Statements
Years Ended June 30, 2023 and 2022
and Supplemental Schedule of Expenditures
of Federal Awards
Year Ended June 30, 2023

VOICE Charter School

Financial Statements
Years Ended June 30, 2023 and 2022
and Supplemental Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

VOICE Charter School

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Independent Auditor's Report

The Board of Trustees
VOICE Charter School
New York, New York

Opinion

We have audited the financial statements of VOICE Charter School (the School), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the School as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Adoption of New Accounting Pronouncement

As discussed in Note 2 to the financial statements, the School has elected to change its method of accounting for leases in the year ended June 30, 2023 due to the adoption of ASC Topic 842, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.



Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

BDO USA, P.C.

October 31, 2023

Financial Statements

VOICE Charter School

Statements of Financial Position

<i>June 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 1,942,725	\$ 2,319,495
Cash - restricted	70,000	70,000
Grants and other receivables	889,935	1,157,219
Investments, at fair value	1,006,250	1,374,332
Prepaid expenses and other assets	1,603,127	648,844
Right-of-use asset - operating lease, net	4,762,100	-
Property and equipment, net	1,873,980	2,035,833
Construction in progress	869,204	293,786
Total Assets	\$ 13,017,321	\$ 7,899,509
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 312,975	\$ 347,969
Accrued salaries and other payroll related expenses	2,682,546	2,482,212
Operating lease liability	5,864,028	-
Deferred rent	-	1,152,455
Total Liabilities	8,859,549	3,982,636
Commitments and Contingencies		
Net Assets		
Without donor restrictions	4,157,772	3,916,873
Total Net Assets	4,157,772	3,916,873
Total Liabilities and Net Assets	\$ 13,017,321	\$ 7,899,509

See accompanying notes to the financial statements.

VOICE Charter School
Statements of Activities
(Without Donor Restrictions)

<i>Year ended June 30, 2023</i>	2023	2022
Operating Revenue		
State and local per pupil operating revenue	\$ 15,194,767	\$ 12,806,249
Government grants and contracts	1,754,307	2,235,209
Total Operating Revenue	16,949,074	15,041,458
Expenses		
Program services:		
General education	13,350,143	12,540,395
Special education	1,723,723	1,801,488
Management and general	1,836,255	1,942,381
Total Expenses	16,910,121	16,284,264
Income (Deficit) from School Operations	38,953	(1,242,806)
Support and Other Income (Loss)		
Contributions, grants, and other income	97,052	9,354
Investment return, net	81,294	(12,280)
Interest income	23,600	1,697
Total Support and Other Income (Loss)	201,946	(1,229)
Change in Net Assets	240,899	(1,244,035)
Net Assets, beginning of the year	3,916,873	5,160,908
Net Assets, end of the year	\$ 4,157,772	\$ 3,916,873

See accompanying notes to the financial statements.

VOICE Charter School

Statement of Functional Expenses

Year ended June 30, 2023

	No. of Positions	Program Services			Supporting Services		Total
		General Education	Special Education	Total Program	Management and General		
Personnel Services Costs							
Instructional personnel	78	\$ 7,064,577	\$ 1,046,246	\$ 8,110,823	\$ -	\$ 8,110,823	
Administrative personnel	27	-	-	-	883,936	883,936	
Total Salaries and Staff	105	7,064,577	1,046,246	8,110,823	883,936	8,994,759	
Payroll taxes and employee benefits		1,966,471	79,999	2,046,470	282,305	2,328,775	
Retirement benefits		764,845	128,307	893,152	100,692	993,844	
Professional development		163,745	-	163,745	-	163,745	
Legal fees		10,321	-	10,321	66,976	77,297	
Audit and accounting fees		34,911	-	34,911	24,961	59,872	
Professional fees - other		968,024	165,550	1,133,574	156,185	1,289,759	
Other Contracted Services		55,333	-	55,333	-	55,333	
Student and staff recruitment		240,129	-	240,129	34,923	275,052	
Curriculum and classroom expenses		647,641	103,813	751,454	-	751,454	
Student field trips and incentive programs		43,416	2,583	45,999	-	45,999	
Parent Activities		250	-	250	-	250	
Postage, printing, and copying		1,480	-	1,480	684	2,164	
Insurance		94,879	-	94,879	12,938	107,817	
Information technology		139,445	-	139,445	34,979	174,424	
Leased equipment		19,090	-	19,090	2,603	21,693	
Repairs and maintenance		266,004	47,313	313,317	26,674	339,991	
Occupancy and facility costs		545,163	120,574	665,737	107,528	773,265	
Utilities		41,126	-	41,126	35,300	76,426	
Depreciation and amortization		203,035	29,338	232,373	31,687	264,060	
Other expense		1,888	-	1,888	19,287	21,175	
Office expense		78,370	-	78,370	14,597	92,967	
		\$ 13,350,143	\$ 1,723,723	\$ 15,073,866	\$ 1,836,255	\$ 16,910,121	

See accompanying notes to the financial statements.

VOICE Charter School

Statement of Functional Expenses

Year ended June 30, 2022

		Program Services			Supporting Services		
	No. of Positions	General Education	Special Education	Total Program	Management and General	Total	
Personnel Services Costs							
Instructional personnel	93	\$ 7,020,375	\$ 1,279,475	\$ 8,299,850	\$ -	\$ 8,299,850	
Administrative personnel	29	-	-	-	1,022,923	1,022,923	
Total Salaries and Staff	122	7,020,375	1,279,475	8,299,850	1,022,923	9,322,773	
Payroll taxes and employee benefits		1,896,450	109,289	2,005,739	267,638	2,273,377	
Retirement benefits		469,763	115,237	585,000	131,763	716,763	
Professional development		413,772	-	413,772	12,877	426,649	
Legal fees		4,525	-	4,525	74,812	79,337	
Audit and accounting fees		26,400	-	26,400	32,434	58,834	
Professional fees - other		432,975	71,590	504,565	84,736	589,301	
Student and staff recruitment		197,183	-	197,183	6,120	203,303	
Curriculum and classroom expenses		560,174	76,877	637,051	-	637,051	
Student field trips and incentive programs		11,184	1,377	12,561	-	12,561	
Postage, printing, and copying		1,889	-	1,889	722	2,611	
Insurance		74,467	-	74,467	10,155	84,622	
Information technology		208,447	-	208,447	41,498	249,945	
Leased equipment		17,529	-	17,529	2,390	19,919	
Repairs and maintenance		268,002	40,763	308,765	30,926	339,691	
Occupancy and facility costs		592,698	83,097	675,795	91,501	767,296	
Utilities		40,851	-	40,851	5,571	46,422	
Depreciation and amortization		217,946	23,783	241,729	32,963	274,692	
Other expense		81,640	-	81,640	80,584	162,224	
Office expense		4,125	-	4,125	12,768	16,893	
		\$ 12,540,395	\$ 1,801,488	\$ 14,341,883	\$ 1,942,381	\$ 16,284,264	

See accompanying notes to the financial statements.

VOICE Charter School

Statements of Cash Flows

<i>Year ended June 30,</i>	2023	2022
Cash Flows from Operating Activities		
Cash received from operating revenue	\$ 16,666,358	\$ 14,287,682
Cash received from interest income	23,600	1,697
Other cash received	365,362	44,826
Cash paid to employees and suppliers	(17,485,531)	(15,894,052)
Net Cash Used in Operating Activities	(430,211)	(1,559,847)
Cash Flows from Investing Activities		
Purchase of investments	(789,934)	(828,797)
Proceeds from sale of investments	971,000	835,000
Purchase of property and equipment	(102,207)	(67,560)
Construction in progress	(575,418)	(81,103)
Net Cash Used In Investing Activities	(496,559)	(142,460)
Net Decrease in Cash	(926,770)	(1,702,307)
Cash and Cash Equivalents and Restricted Cash, beginning of year	2,389,495	4,091,802
Cash and Cash Equivalents and Restricted Cash, end of year	\$ 1,462,725	\$ 2,389,495
Reconciliation of Change in Net Assets to Net Cash Used in Operating Activities		
Change in net assets	\$ 240,899	\$ (1,244,035)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	264,060	274,692
Amortization of Lease	568,968	-
Unrealized loss on investments	187,016	47,752
Deferred rent	-	(32,580)
Changes in operating assets and liabilities:		
Grants and other receivables	(282,716)	(753,776)
Prepaid expenses and other assets	(954,283)	(47,173)
Accounts payable and accrued expenses	(34,994)	220,654
Principal reduction in operating lease liability	(619,495)	-
Accrued salaries and other payroll related expenses	200,334	(25,381)
Net Cash Used in Operating Activities	\$ (430,211)	\$ (1,559,847)
Supplemental Disclosure of Non-Cash Investing Activities		
Non-cash change in deferred rent - upon adoption	\$ 1,152,455	\$ -
Supplemental Disclosure of Cash Flow Information		
Cash and Cash Equivalents and Cash - Restricted		
Cash and cash equivalents	\$ 1,392,725	\$ 2,319,495
Cash - restricted	70,000	70,000
Cash and Cash Equivalents and Restricted Cash, end of year	\$ 1,462,725	\$ 2,389,495

See accompanying notes to the financial statements.

VOICE Charter School

Notes to Financial Statements

1. Nature of the Organization

VOICE Charter School (the School) aims to create a safe and healthy learning environment that will nurture, motivate, and challenge all of our children to achieve the highest level of academic excellence and to develop into mindful, responsible, contributing participants in their education, their community, and the diverse society in which we live. The School incorporates music into a rigorous academic program. On January 15, 2008, the Board of Regents of the University of the State of New York granted the School a provisional charter valid for a term of five years and renewable upon expiration. The charter was renewed for an additional 5 years on January 15, 2013 and March 12, 2018 for the periods ending June 30, 2018 and June 30, 2023 respectively. On April 30, 2023, the charter was renewed for an additional 3 years for the period ending June 30, 2026.

On October 3, 2008, the School, as determined by the Internal Revenue Service, was approved for Federal income tax exemption under section 501(a) of the Internal Revenue Code (IRC) as an organization described in Section 501(c)(3) of the IRC. It is also currently exempt under a similar provision under New York State income tax laws. The School has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the IRC and qualifies for deductible contributions as provided in section 170(b)(1)(A)(ii) of the IRC. The School's primary sources of income are government grants, contracts, and per pupil funding. VOICE Charter School, located in Long Island City, Queens, primarily educates children residing in District 30.

In fiscal year 2023 and 2022, the School operated classes for students in kindergarten through eighth grade.

2. Significant Accounting Policies

Financial Statement Presentation

The School's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The classification of the School's net assets and its support, revenues, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets - with donor restrictions or without donor restrictions - be displayed in a statement of the financial position and that the amount of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

Net Assets with Donor Restrictions - This class consists of contributions and other inflows of assets whose use is subject to donor-imposed restrictions that are more specific than broad limits reflecting the nature of the not-for-profit entity, the environment in which it operates and the purposes specified in its articles of incorporation or bylaws or comparable documents. Donor-imposed restrictions may be temporary in nature, such as stipulating that resources may be used only after a specified date or limited to specific programs or services. Certain donor-imposed restrictions are perpetual in nature.

VOICE Charter School

Notes to Financial Statements

Net Assets without Donor Restrictions - This class consists of contributions and other inflows of assets whose use is not subject to donor-imposed restrictions. This net asset category includes both contributions not subject to donor restrictions and exchange transactions, and are, therefore, available for general operations.

At June 30, 2023 and 2022, the School had no assets with donor restrictions.

Cash and Cash Equivalents

The School considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Cash - Restricted

An escrow account in the amount of \$70,000 was held aside under the provisions of the School's charter to pay for legal and audit expenses that would be associated with a dissolution should it occur, as required by the New York State Education Department for the years ended June 30, 2023 and 2022.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Grants and Other Receivables

Grants and other receivables represent unconditional promises by government agencies and donors. Grants and other receivables that are expected to be collected within one year and recorded at net realizable value amount to \$1,439,935 and \$1,157,219 at June 30, 2023 and 2022, respectively. The School evaluates the collectability of the receivables and employs the allowance method. The School has determined that no allowance for uncollectible accounts is necessary as of June 30, 2023 and 2022. Such estimate is based on management's assessments of the aged basis of its receivables, as well as current economic conditions and historical information.

Contributions

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions.

Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a measurable barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the School fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

VOICE Charter School

Notes to Financial Statements

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets as to time or purpose restrictions.

Contributions subject to donor restrictions are recognized in changes in net assets with donor restrictions. When a purpose restriction is satisfied or when a time restriction expires, the contribution is reported as net assets released from restrictions and is recognized in changes in net assets without donor restrictions in the statement of activities.

Revenue Recognition

Per-Pupil Revenue

The School recognizes revenues from per-pupil funding in the fiscal year in which the academic programs are provided. Per-pupil revenue is billed and received based on the total number of full-time equivalent (FTE) students and the basic charter school tuition rate for the school district of residence of the students attending the School in any given fiscal year for general education and special education. The FTE is formula-driven and based on the number of days the student has been with the School as a proportion of the number of days in the entire school year (the calculation is done by using the New York State calculator online). The School's total student population includes general education and special education students. The School has determined that revenue from its students has the same performance obligations, types of contract, and services rendered. As a result, the student body is viewed as one customer base for revenue purposes. The School uses a portfolio approach to account for per-pupil contracts as a collective group rather than recognizing revenue on an individual-contract basis. The School believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

Per-pupil invoicing is managed on a bi-monthly basis to the funding source (local school district). Billing is a function of student enrollment for the upcoming fiscal year, which is the basis for the first two invoices per-pupil due June 1st and July 31st, which is a projection. Subsequent invoices are due bi-monthly. With the implementation of an automated-invoicing process through a dedicated website, the submission of each invoice is done online. After the year is complete, the School submits the FTE per-pupil reconciliation, listing every student who attended any part of the year, and the FTE each represents. Based on this final count, it calculates how much should have been paid to the School and included in the reconciliation will be any amounts due from the funding source included in grants and other receivables on the statement of financial position at year end, or any amounts payable to the funding source included as a liability on the statement of financial position at year end, as amounts are tried up to actual based on actual numbers submitted at year end.

Additional funding is also provided to support special education services. All students who are identified to need special education services or settings have an Individualized Education Program (IEP), formalized for his or her unique needs. Based on this IEP, the student is categorized into one of three levels of service: 0-20% service, 20-60% service, or 60% or more service required and provided by the School. For a student receiving less than 20% in services, no additional funding is received. For a student receiving services between 20% and 60% and 60% or more services of the school day, additional funding per FTE is received. Billing for this support is incorporated into the per-pupil invoices and is also settled in the same FTE per-pupil reconciliation process.

VOICE Charter School

Notes to Financial Statements

As the students receive the benefit of these services simultaneously as the School is providing them, the School recognizes per-pupil revenue from these services over time. The School believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the services needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to students receiving academic or school services. The School measures the performance obligation from admission or enrollment into the School to the point when the student is discharged or the end of the school year where it is no longer required to provide services to the student, which is generally at the time of discharge or the completion of the school year. All of these services are bundled and considered a single-performance obligation, and as such, the School accounts for these bundled-performance obligations under state and local per pupil operating revenue in the statement of activities and recognizes the per-pupil revenue over time.

Government Grants

Revenue from federal, state, and local government grants and contracts is recognized by the School when qualifying expenditures are incurred and billable to the government, or when required services have been provided.

Contract Assets and Contract Liabilities

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, contract assets are to be recognized when an entity has the right to receive consideration in exchange for goods or services that have been transferred to a customer when that right is conditional on something other than the passage of time. The School does not recognize contract assets, as the right to receive consideration is unconditional in accordance with the passage of time criteria. Also, in accordance with ASC 606, contract liabilities are to be recognized when an entity is obligated to transfer goods or services for which consideration has already been received. The School does not receive consideration prior to the transfer of goods or services and, therefore, does not recognize contract liabilities.

Contributions of Nonfinancial Assets

The School may receive contributed services that are an integral part of its operations. Such services are only recorded as contributions of nonfinancial assets, at their fair value, provided the services create or enhance nonfinancial assets, require specified skills provided by individuals possessing those skills, and typically need to be purchased, if not provided by donation.

The School receives donated space from the New York City Department of Education (NYCDOE) that it shares with a New York City public school (Note 5). The donated space will be used for operating, general and administrative activities. In valuing the donated space, which is located in Long Island City, New York, the School estimated the fair value on the basis of the cost per square foot that is currently being paid for a similar space in Long Island City's real estate market.

Property and Equipment

Property and equipment are stated at cost and are depreciated on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the useful life of the asset or the lease term. The School has established a \$5,000 threshold above which assets are capitalized. Property and equipment acquired with certain government contract

VOICE Charter School

Notes to Financial Statements

funds is recorded as expenses pursuant to the terms of the contract in which the government funding source retains ownership of the property. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized, based on the established threshold. Construction in progress is not depreciated until it is placed into service.

Impairment

The School reviews long-lived assets to determine whether there has been any permanent impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the assets, the School recognizes an impairment loss. No impairment losses were recognized for the years ended June 30, 2023 and 2022.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis and by natural classification in the accompanying statement of activities. Accordingly, certain costs have been allocated among the respective programs and activities according to the functional categories, as follows:

Program Services - This category represents expenses related to general education and special education for certain students requiring additional attention and guidance. The underlying allocation basis used is salary expense.

Management and General - This category represents expenses related to the overall administration and operation of the School that are not specific to any program services or development. The underlying allocation basis used is salary expense.

Income Taxes

The School is exempt from federal, state and local income taxes under Section 501(c)(3) of the Internal Revenue Code (the IRC) and, therefore, has made no provision for income taxes in the accompanying financial statements. In addition, the School has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the IRC. There was no unrelated business income for the years ended June 30, 2023 and 2022.

Under U.S. GAAP, an organization must recognize the tax benefit associated with tax positions taken for tax-return purposes when it is more likely than not that the position will not be sustained upon examination by taking a taxing authority. The School does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The School is subject to routine audits by a taxing authority. As of June 30, 2023 and 2022, the School was not subject to any examination by a taxing authority.

Investments

Investments are recorded at fair value based upon quoted market prices. Investment return includes dividends, interest, and realized and unrealized gains and losses on investments carried at fair value. Investment return is recorded as income without donor restrictions in the statements of activities.

VOICE Charter School

Notes to Financial Statements

Fair Value Measurements and Fair Value - Definition and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting standards establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the most observable units be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the School. Unobservable inputs reflect the School's assumptions about inputs used by market participants at the measurement date. The fair value hierarchy is categorized into three levels based on inputs as follows:

Level 1 - Valuation is based on quoted prices in active markets for identical assets or liabilities that the School has the ability to access.

Level 2 - Valuation is based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuation is based on inputs that are unobservable and significant to the overall fair value measurement.

Recently Adopted Accounting Pronouncements

Lease Accounting

In February 2016, the FASB issued ASU 2016-02, Accounting for Leases, which applies a right-of-use (ROU) model that requires a lessee to record, for all leases with a lease term of more than payments. For leases with a term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize an ROU asset or lease liability. At inception, lessees must classify all leases as either finance or operating based on five criteria. Balance sheet recognition of finance and operating leases is similar, but the pattern of expense recognition in the income statement, as well as the effect on the statement of cash flows, differs depending on the lease classification. In addition, lessees and lessors are required to provide certain qualitative and quantitative disclosures to enable users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The FASB issued ASU 2020-05, which deferred the effective date for the School until annual periods beginning after December 15, 2021. Effective July 1, 2022, the School adopted this ASU following the modified retrospective method of application, see Note 6.

Recently Issued but not yet Adopted Accounting Pronouncements

Financial Instruments - Credit Losses

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The new credit losses standard changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, contract assets recognized as a result of applying ASC 606, loans and certain other instruments, entities will be required to use new forward looking "expected loss" model that generally will result in earlier recognition of credit losses than under today's incurred loss model.

VOICE Charter School

Notes to Financial Statements

ASU 2016-13 is effective for annual periods beginning after December 15, 2022. The School is currently evaluating the impact of this ASU on its financial statements.

3. Liquidity and Availability of Resources

The School maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The School's management meets monthly to address projected cash flows to meet its operational expenditures. In addition, the School invests excess cash in U.S. Government Securities and a money market fund, which are highly liquid investments.

The School's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

<i>Years ending June 30,</i>	2023	2022
Cash and cash equivalents	\$ 1,392,725	\$ 2,319,495
Cash - restricted	70,000	70,000
Grants and other receivables	1,439,935	1,157,219
Investments	1,006,250	1,374,332
Total Financial Assets	3,908,910	4,921,046
Less amounts unavailable for general expenditures within one year due to:		
Restricted by contract	(70,000)	(70,000)
Total Financial Assets Available to Management for General Expenditures within One Year	\$ 3,838,910	\$ 4,851,046

4. Investments, at Fair Value

Determination of Fair Values

The valuation methodologies used to determine the fair values of assets and liabilities under the "exit price" notion reflect market-participant objectives and are based on the application of the fair value hierarchy that prioritizes observable market inputs over unobservable inputs. The School measures the fair values of the U.S. Government Securities based on quoted market prices.

The preceding method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, although the School believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The School's investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risks associated with these investments, it is at least reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and the statements of activities.

VOICE Charter School

Notes to Financial Statements

The following tables present by level, within the fair value hierarchy, the School's investments at fair value as of June 30, 2023 and 2022. As required by fair value measurement accounting standards, investments are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement. The School's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy levels.

June 30, 2023

	Fair Value	Level 1	Level 2	Level 3
U.S. Government Securities	\$ 1,006,250	\$ 1,006,250	\$	\$

June 30, 2022

	Fair Value	Level 1	Level 2	Level 3
U.S. Government Securities	\$ 1,374,332	\$ 1,374,332	\$ -	\$ -

The School's U.S. Government Securities are scheduled to mature on various dates between September 2023 and June 2024.

5. Agreement with School Facility

The School shares space with P.S. 111 Jacob Blackwell, A New York City public school, located at 37-15 13th Street, Queens, New York 11101. As part of the New York City Chancellor's Charter School Initiative, the NYCDOE has provided this space to the School at no charge. The services provided by the NYCDOE to the charter school, such as rent, utilities, custodial services, maintenance, and safety services are also provided at no cost.

The School is using a relative valuation model to measure the fair value of the donated space. The NYCDOE has not provided a value for the space and there is no lease or agreement in place. In applying the valuation model, significant inputs include the total square footage of space occupied by the School. Based on such assumptions, the School applies a relative cost per square foot calculated using current lease terms from their similar facility in Long Island City.

The School occupies approximately 8,830 square feet at this location. The value of the space and related utilities and services allocated to the School calculated by applying the relative valuation model is not significant and, therefore, is not recorded in the financial statements.

6. Leases

The School has adopted the provisions of ASC 842, *Leases*. For leases with initial terms of greater than one year (or initially, greater than one year remaining under the lease at the date of the adoption of ASC 842), the School records the related right-of-use assets and liabilities at the present value of the remaining lease payments to be paid over the life of the related lease. Lease payments related to periods subject to renewal options are excluded from the amounts used to determine the present value of the remaining lease payments unless the School is reasonably certain to exercise the option to extend the lease. The lease require monthly payments of principal and interest at a rate averaging from 2.88%. The present value of the lease payments is calculated by utilizing the discount rate stated in the lease, when readily determinable. For leases for which a discount rate is not readily available, the organization has elected to use the risk-free rate plus a reasonable

VOICE Charter School

Notes to Financial Statements

premium comparative for entities of similar risk. The School has made an accounting policy election not to separate lease components from non-lease components in contracts when determining its lease payments for all of its asset classes, as permitted by ASC 842. As such, the School accounts for the applicable non-lease components together with the related lease components when determining the right-of-use assets and liabilities. The School has made an accounting policy election not to record leases with an initial term of less than one year as right-of-use assets and liabilities in the statements of financial position.

The following tables summarizes information related to lease assets and liability:

Year ended June 30, 2023

Lease Costs	
Operating lease cost	
Amortization of right-of-use assets	\$ 568,968
Interest on lease liabilities	176,680
Total Lease Cost	\$ 745,648

Year ended June 30, 2023

Right-of-use assets and liabilities:	
Operating lease right-of-use assets, net of amortization	\$ 4,762,100
Operating lease liabilities	\$ 5,864,028
Weighted-average remaining lease term - operating leases (years)	
	10
Weighted-average discount rate - operating leases (%)	
	2.88%

The following is a schedule of future minimum lease payments, including interest, under the term of the leases, together with the present value of the net minimum lease payments, as of June 30, 2023:

Year ending June 30, 2023

2024	\$ 815,779
2025	835,874
2026	769,300
2027	788,532
2028	808,245
Thereafter	2,548,005
Total Minimum Lease Payments	6,565,735
Less: imputed interest	(701,707)
Present Value of Net Minimum Lease Payments	\$ 5,864,028

VOICE Charter School

Notes to Financial Statements

7. Property and Equipment, Net

Property and equipment, net consist of the following:

June 30,

	2023	2022	Estimated Useful Lives
Furniture and fixtures	\$ 638,671	\$ 542,442	7 years
Musical instruments	6,610	6,610	3 years
Computers	320,004	320,004	3 years
Software	35,425	35,425	3 years
Leasehold improvements	3,485,122	3,479,144	Lesser of the useful life of the asset or the lease term
	4,485,832	4,383,625	
Less: accumulated depreciation and amortization	(2,611,852)	(2,347,792)	
Total Property and Equipment, Net	\$ 1,873,980	\$ 2,035,833	

Depreciation and amortization expense for the years ended June 30, 2023 and 2022 was \$264,060 and \$274,692, respectively.

8. Construction in Progress

The School is undergoing construction at its St. Rita location in order to bring the building up to code and receive a new certificate of occupancy from the City due to the expansion of the School. The School operates on a work-order basis and has not entered into any long-term contracts. At June 30, 2023 and 2022, construction in progress was \$869,204 and \$293,786, respectively.

At June 30, 2022, the projects have been substantially completed. The School will place the remaining construction in progress into service upon receipt of the certificate of occupancy from the City.

9. Pension Plan

The School participates in the Teachers' Retirement System of the City of New York (TRS or the Plan), which covers principals and teachers. Employees enrolled in the Plan are required to contribute up to 6% depending on when they enrolled in the Plan. Employees become vested in the School's contribution to the Plan after ten years of service. The School's contribution is a rate based on actuarial assumptions and methods. During the years ended June 30, 2023 and 2022, the School used a rate of 11.15% and 10.07%, respectively.

For the years ended June 30, 2023 and 2022, the School incurred pension expense of \$903,247 and \$608,622, respectively, which is included in retirement benefits in the accompanying statements of functional expenses.

VOICE Charter School

Notes to Financial Statements

Accounting standards require employers participating in multiemployer plans to provide detailed quantitative and qualitative disclosures for these plans. TRS, which is sponsored by the City of New York, does not impose an expiration date on participating employers. The zone status is consistent with the Pension Protection Act and is for the Plan's year-end at June 30, 2020. The zone status is based on information provided in the TRS Comprehensive Annual Financial Report, which includes information from TRS' actuary and is certified by TRS' auditor. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded and plans in the green zone are at least 80% funded. TRS did not report a rehabilitation plan. Information related to the Plan is comprised of the following:

Pension Fund	Plan Month/Day End Date	Zone Status	Contribution	
			2023	2022
Teachers' Retirement System	6/30	Yellow - As of June 30, 2021	\$ 903,247	\$ 608,622

Employees may also participate in a Tax-Deferred Annuity (TDA) Program, which is defined-contribution pension plan. Employees may contribute as little as 1% of their salary to the TDA Program and as much as their designated Maximum Contribution Rate. This rate is based on their salary and the allowable maximum contribution amount the Internal Revenue Service (IRS) has established for that year.

In July 2014, the School opted to participate in a 403(b) Plan, which is open for salary reduction contributions to all employees of the School. There is a base and match contribution given to employees who are at least 21 years of age and who have reached the minimum service requirement of at least six months of eligibility service at the School. Eligibility service is defined as service in a salaried position that does not qualify as a TRS position. The vesting period for the 403(b) Plan is based on a vesting table where it takes two years to be partially vested and six years to be fully vested. The 403(b) Plan calls for the School to make a base contribution of 3.5% of an eligible employee's salary and match 100% of an eligible employee's contribution up to 10% of their fiscal year salary. The base and matching contributions will not be offered to employees who participate in the TRS plan. The School incurred 403(b) Plan expenses of \$90,597 and \$108,141 for the years ended June 30, 2023 and 2022, respectively, which is included in retirement benefits in the accompanying statements of functional expenses.

10. Risk Management

The School is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School maintains commercial insurance to help protect itself from such risks. The School also intends to defend its positions on these matters. As of June 30, 2023 and 2022, there are no matters for which the School believes the ultimate outcome would have a material adverse effect on the School's financial position.

The School entered into contractual relationships with certain governmental funding sources. The governmental agencies may request return of funds as a result of noncompliance by the School, as well as additional funds for the use of facilities. The accompanying financial statements make no provision for the possible disallowance or refund. The School is of the opinion that such cost disallowances, if any, will not have a material effect in the School's financial statements and will record them in the fiscal year they become known.

VOICE Charter School

Notes to Financial Statements

11. Concentration Risks

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of cash deposits. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on its cash accounts.

The School received approximately 90% and 85% of its total revenue from per pupil funding from the NYCDOE during each of the years ended June 30, 2023 and 2022, respectively.

The School's grants and other receivables consist of two major grantors accounting for approximately 36% at June 30, 2023. The School's grants and other receivables consist of two major grantors accounting for approximately 72% at June 30, 2022.

The School's payables consist of three major vendor accounting for approximately 62% at June 30, 2023. The School's payables consist of one major vendor accounting for approximately 36% at June 30, 2022.

12. Commitment and Contingencies

On December 10, 2020, the School entered into a Facilities Transition Agreement (the Agreement) with Growing Up Green Charter School (GUG), A New York not-for-profit education corporation having an address at 36-49 11th Street, Long Island City, NY 11101. The landlord of the GUG premises is the Church. The Agreement is for GUG to transfer its interest in the GUG premises to the School, so that the GUG premises can become part of the VOICE Charter School premises all under one lease between the School and the Church. The terms of the Agreement state the transfer date of GUG premises to the School is expressly conditioned upon GUG's new facility being completed. The transition occurred as of July 1, 2023.

Per the Agreement, the School is obligated to pay a transition fee in the amount of \$1,000,000 for the improvements GUG made to the GUG premises. On the commencement date of the Agreement, the School paid a down payment of \$200,000 (the down payment) which is included in prepaid expenses and other assets in the accompanying statements of financial position at June 30, 2023 and 2022. The Down Payment is held in an escrow by GUG's counsel. The remaining balance of the transition fee, amounting to \$800,000 is payable, and the Down Payment is to be released upon GUG vacating the GUG premises in accordance with the Agreement. As of June 30, 2023 the School included the \$800,000 in prepaid expenses and other assets in the statements of financial position.

The School is currently in discussion to enter into a new lease with the Church for leasing the GUG premises. The lease is for the school building, the immediately adjoining sidewalk and pavement area, another building and the associated rear play yard and has a duration of twenty years. As part of the lease agreement, the School has paid a security deposit of \$105,700 which is included in prepaid expenses and other assets in the accompanying statements of financial position at June 30, 2023 and 2022. As of July 1, 2023, the terms of the agreement have been finalized and the School has taken possession of the premises.

VOICE Charter School
Notes to Financial Statements

13. Subsequent Events

The School's management has performed subsequent event procedures through October 31, 2023, which is the date the financial statements were available to be issued, and there were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein.

Supplementary Information

VOICE Charter School

Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Cluster or Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
United States Department of Education				
Pass-through through the New York State Education Department: Title I Grants to Local Education Agencies (Title I Part A of the ESEA)	84.010	Not Applicable	\$ -	\$ 131,406
Supporting Effective Instruction State Grants	84.367	Not Applicable	-	18,889
English Language Acquisition State Grants	84.424	Not Applicable	-	19,043
Student Support and Academic Enrichment Program	84.424	Not Applicable	-	10,000
Special Education Cluster (IDEA): Special Education - Grants to States (IDEA, Part B)	84.027	Not Applicable	-	124,244
Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Emergency Assistance to Non-Public Schools (CRRSA EANS) Program	84.425R	Not Applicable	-	157,409
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	Not Applicable	-	353,519
American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	Not Applicable	-	37,106
Emergency Connectivity Fund (ECF)	32.009	Not Applicable	-	48,896
Total U.S. Department of Education			-	900,512
Total Expenditures of Federal Awards			\$ -	\$ 900,512

The accompanying notes are an integral part of this schedule.

VOICE Charter School

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of VOICE Charter School under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The School has elected to use the 10% de minimis indirect costs rate allowed under the Uniform Guidance.



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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Trustees
VOICE Charter School
New York, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of VOICE Charter School (the School), which comprise the School's statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on

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compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, P.C.

October 31, 2023



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Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Board of Trustees
VOICE Charter School
New York, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited VOICE Charter School (the School) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2023. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in



internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BDO USA, P.C.

October 31, 2023

VOICE Charter School

Schedule of Findings and Questioned Costs Year Ended June 30, 2023

Section I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

☐ Yes ☒ No
☐ Yes ☒ None reported
☐ Yes ☒ No

Noncompliance material to financial statements noted?

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

☐ Yes ☒ No
☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
84.425R	Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Emergency Assistance to Non-Public Schools (CRRSA EANS) Program
84.425U	American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)
84.425W	American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

Section 2. Financial Statement Findings

There were no findings related to the financial statements that are required to be reported, in accordance with generally accepted government auditing standards.

Section 3. Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in 2 CFR 200.516(a)) that are required to be reported.