

**AUDITORS MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
SCHOOL DISTRICT OF THE
BOROUGH OF POMPTON LAKES
COUNTY OF PASSAIC, NEW JERSEY
JUNE 30, 2019**

AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE

SCHOOL DISTRICT OF THE BOROUGH OF POMPTON LAKES
COUNTY OF PASSAIC, NEW JERSEY

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REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Borough of Pompton Lakes School District
County of Passaic, 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 basic financial statements of the Board of Education of the Borough of Pompton Lakes School District in the County of Passaic for the year ended June 30, 2019, and have issued our report thereon dated December 3, 2019.

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 Borough of Pompton Lakes Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

James Cerullo

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Licensed Public School Accountant
No. 881

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December 3, 2019

**ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, the records of the Various Funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's CAFR.

Officials Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Renee Taveniere	Board Secretary/School Business Administrator	\$236,000.00
Herbert Diamond	Treasurer	\$240,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$500,000.00.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The Board made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with N.J.A.C. 6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not reveal any material discrepancies with respect to each of signature, certification or proper documentation.

Financial Planning, Accounting and Reporting, (continued)

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 Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator.

Finding 2019-01: Salary withholdings were not remitted to the proper agencies in a timely manner.

Recommendation: That all salary withholdings be remitted to the proper agencies in a timely manner.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents, and business administrator) to the NJ Department of Treasury was filed by the March 15 due date.

Finding 2019-02: In some instances, employees' retro pay was calculated incorrectly.

Recommendation: That employees' retro pay be calculated correctly.

Finding 2019-03: There is not a Board policy stating amounts that employees are to receive for phone reimbursement.

Recommendation: That a Board policy be approved stating amounts employees are to be reimbursed for phone usage.

Finding 2019-04: Some employees and employees' earnings were not reported on the TPAF pension report correctly.

Recommendation: That all eligible employees and their wages be reported correctly on the TPAF pension report.

Position Control Roster

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

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 goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

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 0.0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

The Board Secretary's records were examined and found to be in good condition.

Fixed Assets

The general fixed asset records were updated for the additions and disposals of general fixed assets made during the year.

Treasurer's Records

Treasurer's records were examined and found to be in good condition.

Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA)

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

The study of compliance for E.S.E.A. indicated that there were no areas of noncompliance and/or questionable costs.

Financial Planning, Accounting and Reporting, (continued)

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis, indicated that 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 CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects indicated that there were no areas of noncompliance.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund.

T.P.A.F. 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 school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district (or charter school or renaissance school project) for those employees whose salaries are identified as being paid from federal funds was made prior to the end of 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.

Nonpublic State Aid

Project completion reports were finalized and transmitted to the Department by the due date.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term 'competitive contracting', which is defined as "the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received." Also, subsection (aa) defines the term 'concession' to exclude vending machines.

School Purchasing Programs, (continued)

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a "Qualified Purchasing Agent" (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. "In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted."

Effective July 1, 2015 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (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 currently \$19,000.00 for 2018-2019.

The board of education 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.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," 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, amended.

Resolutions were adopted authorizing the awarding of contract or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

School Food Service

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

The financial transactions and statistical records of the school food service fund were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the edit check worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. Meals claimed did agree with meal count records.

School Food Service, (continued)

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 (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications and/or to the list of directly certified students, times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications were completed and available for review.

Cash receipts and bank records were reviewed for timely deposit.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A.* 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will provide an annual financial return of \$17,000.00 for the 2018-2019 school year. The operating results provision has been met. All vendor discounts, rebates and credits from the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures were separately recorded as food, labor and other cost. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Finding 2019-05: Net cash resources exceeded three month's average expenditures.

Recommendation: No recommendation is being made as the Board is in the process of purchasing new furniture and equipment.

Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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

Student Activity Fund

A cash receipts and disbursements record is maintained in satisfactory condition.

Cash disbursements had proper signatures and supporting documentation.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2018 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2018-2019 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Testing for Lead of All Drinking Water in Educational Facilities

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The school district did submit the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings, except for those items marked with an “*”.

Acknowledgment

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

James Cerullo

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Licensed Public School Accountant
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SCHEDULE OF AUDITED ENROLLMENTS

**Borough of Pompton Lakes School District
Application for State School Aid Summary
Enrollment as of October 15, 2018**

Enrollment Category	2019-2020 Application for State School Aid				Sample for Verification				Private School for Handicapped					
	Reported on ASSA on Roll		Workpapers on Roll		Sample Selected from Workpapers		Verified per Registers on Roll		Reported on ASSA as Private School		Sample for Verifi- cation		Sample Verified Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day PREK - 4Yr			0		0		0		0		0		0	
Full Day PREK - 4Yr	8		8		8		8		8		0		0	
Full Day Kindergarten	83		83		83		83		83		0		0	
One	100		100		100		100		100		0		0	
Two	82		82		82		82		82		0		0	
Three	78		78		78		78		78		0		0	
Four	99		99		99		99		99		0		0	
Five	87		87		87		87		87		0		0	
Six	87		87		87		87		87		0		0	
Seven	129		129		129		129		129		0		0	
Eight	82		82		82		82		82		0		0	
Nine	152		152		152		152		152		0		0	
Ten	133		133		133		133		133		0		0	
Eleven	121	1	121	1	121		121		121		0		0	
Twelve	125		125		125		125		125		0		0	
Subtotal	1,366	1	1,366	1	1,366	0	1,366	0	1,366	0	0	0	0	0
Special Ed - Elementary	111		111		18		18		18		0	3	3	0
Special Ed - Middle School	66		66		11		11		11		0	4	4	0
Special Ed - High School	104	7	104	7	17		17		17		0	10	10	0
Subtotal	281	7	281	7	46	0	46	0	46	0	0	17	17	0
Totals	1,647	8	1,647	8	1,412	0	1,412	0	1,412	0	0	17	17	0
Percentage Error														0.00%

SCHEDULE OF AUDITED ENROLLMENTS (cont.)

**Borough of Pompton Lakes School District
Application for State School Aid Summary
Enrollment as of October 15, 2018**

Enrollment Category	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on ASOA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Errors	Reported on ASOA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Errors
Full Day Kindergarten	14	14	0	7	7	0	3	3	0	2	2	0
One	22	22	0	11	11	0	1	1	0	1	1	0
Two	17	17	0	8	8	0	2	2	0	1	1	0
Three	18	18	0	9	9	0	1	1	0	1	1	0
Four	23	23	0	11	11	0	1	1	0	1	1	0
Five	24	24	0	11	11	0	0	0	0	0	0	0
Six	13	13	0	6	6	0	2	2	0	2	2	0
Seven	31	31	0	15	15	0	1	1	0	1	1	0
Eight	18	18	0	9	9	0	1	1	0	1	1	0
Nine	23	23	0	11	11	0	1	1	0	1	1	0
Ten	14	14	0	7	7	0	1	1	0	1	1	0
Eleven	6	6	0	3	3	0	0	0	0	0	0	0
Twelve	13	13	0	5	5	0	1	1	0	1	1	0
Subtotal	236	236	0	113	113	0	15	15	0	13	13	0
Special Ed - Elementary	34	34	0	16	16	0	2	2	0	2	2	0
Special Ed -Middle School	20	20	0	10	10	0	1	1	0	0	0	0
Special Ed -High School	14	14	0	6	6	0	0	0	0	0	0	0
Subtotal	68	68	0	32	32	0	3	3	0	2	2	0
Totals	304	304	0.0	145	145	0	18	18	0	15	15	0
Percentage Error			0.00%			0.00%			0.00%			0.00%

SCHEDULE OF AUDITED ENROLLMENTS (cont.)

Borough of Pompton Lakes School District
Application for State School Aid Summary
Enrollment as of October 15, 2018

<u>Enrollment Category</u>	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on ASOA as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Errors</u>
Full Day Kindergarten	2	2	0	2	2	0
One	5	5	0	5	5	0
Two	1	1	0	1	1	0
Three	5	5	0	5	5	0
Four	0	0	0	0	0	0
Five	2	2	0	2	2	0
Six	2	2	0	2	2	0
Seven	2	2	0	2	2	0
Eight	1	1	0	1	1	0
Nine	5	5	0	5	5	0
Ten	3	3	0	3	3	0
Eleven	1	1	0	1	1	0
Twelve	0	0	0	0	0	0
Subtotal	29	29	0	29	29	0
Special Ed - Elementary	5	5	0	5	5	0
Special Ed - Middle	1	1	0	1	1	0
Special Ed - High	0	0	0	0	0	0
Subtotal	6	6	0	6	6	0
Totals	35	35	0	35	35	0
Percentage Error			0.00%			0.00%

SCHEDULE OF AUDITED ENROLLMENTS (cont.)

**Borough of Pompton Lakes School District
Application for State School Aid Summary
Enrollment as of October 15, 2018**

	Transportation					
	Reported on <u>DRTRS by DOE</u>	Reported on <u>DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Regular - Public Schools, col. 1	15	15	0	15	15	0
Regular Special Ed, col. 4	8	8	0	8	8	0
Transported - Non-Public, col. 3	0	0	0	0	0	0
Special Ed. Special, col. 6	44	44	0	29	29	0
Totals	67	67	0	52	52	0
Percentage Error			0%			0%
					Reported	Re- calculated
					8.3	8.3
					6.8	6.8

POMPTON LAKES SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2018-19 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>39,062,373.80</u>	(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:		
On-Behalf TPAF Pension & Social Security	\$ <u>5,312,024.12</u>	(B2a)
Assets Acquired Under Capital Leases	\$ <u>204,567.84</u>	(B2b)
Adjusted 18-19 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>33,545,781.84</u>	(B3)
2% of Adjusted 2018-19 General Fund Expenditures [(B3) times .02]	\$ <u>670,915.64</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>670,915.64</u>	(B5)
Increased by: Allowable Adjustment*	\$ <u>90,223.00</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		\$ <u>761,138.64</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-19 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>3,454,992.20</u>	(C)
Decreased by:		
Year End Encumbrances	\$ <u>156,535.86</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____	(C2)
Legally Restricted Excess Surplus - Designated for Designated for Subsequent Year's Expenditures**	\$ _____	(C3)
Other Restricted Fund Balances****	\$ <u>2,107,472.15</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>316,181.00</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C-6)]		\$ <u>874,803.19</u> (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus***[(U1)-(M)] IF NEGATIVE ENTER -0- \$ 113,664.55 (E)

Recapitulation of Excess Surplus as of June 30, 2019

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ _____ (C3)
Reserved Excess Surplus***[(E)]	\$ <u>113,664.55</u> (E)
Total [(C3)+(E)]	\$ <u>113,664.55</u> (D)

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:7-F-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), Extraordinary Aid;
 - (J1) Extraordinary Aid;
 - (J2) Additional Nonpublic School Transportation Aid
 - (J3) Current Year School Bus Advertising Revenue Recognized
 - (J4) Family Crisis Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____ (H)
Sale & Lease-back	\$ _____ (I)
Extraordinary Aid	\$ <u>90,223.00</u> (J1)
Additional Nonpublic School Transportation Aid	\$ _____ (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ (J3)
Family Crisis Transportation Aid	\$ _____ (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ <u>90,223.00</u> (K)

- ** This amount represents the June 30, 2018 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- *** Amounts must agree to the June 30, 2019 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 90030.
- **** Amount of Other Reserved Fund Balance 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 separate proposal

\$ _____

Sale/lease-back reserve

\$ _____

Capital reserve

\$ 1,336,359.95

Maintenance reserve

\$ 771,112.20

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 General Fund Reserve (Sections 8007 and 8008)

\$ _____

Other state/government mandated reserve

\$ _____

[Other Restricted Fund Balance not noted above]****

\$ _____

Total Other Restricted Fund Balance

\$ 2,107,472.15 (C4)

**SCHOOL DISTRICT OF THE
BOROUGH OF POMPTON LAKES**

**AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

RECOMMENDATIONS:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

Finding 2019-01: Salary withholdings were not remitted to the proper agencies in a timely manner.

Recommendation: That all salary withholdings be remitted to the proper agencies in a timely manner

Finding 2019-02: In some instances, employees' retro pay was calculated incorrectly.

Recommendation: That employees' retro pay be calculated correctly.

Finding 2019-03: There is not a Board policy stating amounts that employees are to receive for phone reimbursement.

Recommendation: That a Board policy be approved stating amounts employees are to be reimbursed for phone usage.

Finding 2019-04: Some employees and employees' earnings were not reported on the TPAF pension report correctly.

Recommendation: That all eligible employees and their wages be reported correctly on the TPAF pension report.

3. School Purchasing Programs

None

**SCHOOL DISTRICT OF THE
BOROUGH OF POMPTON LAKES**

**AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)**

4. School Food Service

None

5. Student Activity Fund

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings.