

**AUDITORS MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
SCHOOL DISTRICT OF THE
TOWNSHIP OF TEANECK
COUNTY OF BERGEN, NEW JERSEY
JUNE 30, 2019**

SCHOOL DISTRICT OF THE TOWNSHIP OF TEANECK
COUNTY OF BERGEN, NEW JERSEY

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

TABLE OF CONTENTS

	<u>Page</u> <u>No.</u>
Independent Auditors' Report.	1
Scope of Audit.	2
Administrative Practices and Procedures	
Insurance.	2
Officials Bonds.	2
Tuition Charges.	2
Financial Planning, Accounting and Reporting	
Examination of Claims.	2
Payroll Account and Position Control Roster.	3
Position Control Roster.	3
Reserve for Encumbrances, Liability for Accounts Payable.	3
Classification of Expenditures.	4
Board Secretary's Records.	4
Fixed Assets.	4
Treasurer's Records.	5
Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA).	5
Other Special Federal and/or State Projects.	5
T.P.A.F. Reimbursement.	5
T.P.A.F. Reimbursement to State for Federal Salary Expenditures.	6
Nonpublic State Aid.	6
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids.	6
School Food Service.	7
Student Body Activities.	8
Application for State School Aid.	8
Pupil Transportation.	9
Testing for Lead of All Drinking Water in Education Facilities.	9
Follow-up on Prior Year Findings.	9
Acknowledgment.	9
Schedule of Audited Enrollments.	10
Excess Surplus Calculation.	13
Audit Recommendations Summary.	16

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, NJ 07860
973-579-3212
Fax 973-579-7128

REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Teaneck School District
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Teaneck School District in the County of Bergen for the year ended June 30, 2019, and have issued our report thereon dated November 21, 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 Teaneck 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.

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 21, 2019

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

GENERAL COMMENTS

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Monies, the activities of the Board of Education, and 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>
Melissa Simmons	Business Administrator/Board Secretary	\$280,000
Anthony Bianchi	Treasurer of School Monies	\$425,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$100,000 per employee and \$500,000 per loss.

Tuition Charges

A comparison of tentative charges and actual certified tuition charges was made. The actual costs were more than estimated costs. The Board made a proper adjustment to the billings to sending districts for the increase in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Financial Planning, Accounting and Reporting, (continued)

Payroll Account and Position Control Roster

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.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withholding due to the General Fund.

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

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.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

The Board of Education made a merit bonus payment that a quantitative merit criterion or a qualitative merit criterion had been satisfied with prior approval by the District Board of Education and Executive County Superintendent, as required by N.J.A.C. 6A:23A-3.1(e)10.iv.

Position Control Roster

Finding 2019-001: An inquiry and subsequent review of the Position Control Roster found incomplete information contained therein. The Position Control Roster lacked account codes, salary information and other mandatory details as prescribed by N.J.A.C. 6A:23A-6.8.

Recommendation: That the Position Control Roster be updated and maintained with the mandatory detailed information as prescribed by N.J.A.C. 6A:23A-6.8.

Reserve for Encumbrances, Liability for 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.

Financial Planning, Accounting and Reporting, (continued)

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 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 3.70% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Finding 2019-002: Expenditures in the following categories were not charged to the appropriate line item account in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools: Out-of-District Tuition, Related Services, School Sponsored Cocurricular/Extracurricular Activities, Required Maintenance and Capital Leases.

Recommendation: The District should reference the Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2019 Edition and other available reference materials, such as the Budget Guidelines for the proper classification required to be in compliance with N.J.A.C. 6A:23-2.3(f).

Board Secretary's Records

Our overview of the financial and accounting records maintained by the Board Secretary disclosed the following items:

Finding 2019-003: Not all cash receipts were promptly deposited for the Teaneck Community Education Center (TCEC).

Recommendation: All cash receipts should be promptly deposited.

Finding 2019-004: There were instances in which cash transfers between funds were not recorded in the general ledger.

Recommendation: All transactions should be recorded in the operating system.

Fixed Assets

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

Financial Planning, Accounting and Reporting, (continued)

Treasurer's Records

The following items were noted during our review of the records of the Treasurer.

Finding 2019-005: The following bank reconciliations include reconciling items older than 180 days (N.J.S.A. 40A:5-5):

- Payroll Account
- Teaneck High School Activity Account
- Warrant Account

Recommendation: That all stale dated reconciling items be reviewed and voided as appropriate.

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 Titles I, II, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

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

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule K-3 and Schedule K-4 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 no areas of noncompliance.

T.P.A.F. Reimbursement

Our audit procedures included a test of the bimonthly reimbursements filed with the Department of Education for the district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

Financial Planning, Accounting and Reporting, (continued)

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Reports 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 for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Nonpublic State Aid

Project completion reports were finalized and transmitted to the State Department of Education 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.

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."

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.

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.

School Purchasing Programs, (continued)

Contracts and Agreements Requiring Advertisement for Bids, (continued)

The results of our examination indicated that no individual payments, contracts or agreements were made for the performance of any work, goods or services in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 18A:18A-4.

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 program. However, the program expenditures exceeded \$100,000 in federal support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The number of meals claimed for reimbursement was compared to 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. During our review of meals claimed, no exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications times the number of operating days, on a school by school basis. The free and reduced price meal was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications was completed and available for review.

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 return a profit of at least \$100,000. 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 costs. 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.

School Food Service, (continued)

Finding 2019-006: There were instances in which catering services for board meetings and special events were charged to the food service fund.

Recommendation: Catering services should be paid for by those receiving the services and should not be charged to food service.

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. Net cash resources did not exceed three months average expenditures.

The Statement of Revenues, Expenses, and Changes in Fund Net Position (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

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

The school district maintains the detailed revenue and expenditure information necessary in order to executive the U.S.D.A. mandated Non-Program Food Revenue Tool at least annually.

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

Student Body Activities

During our review of the Student Activity Funds, the following items were noted:

Finding-007: Tickets for athletic events are not properly accounted for.

Recommendation: That more care be taken to ensure that all tickets are properly recorded and accounted for.

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, bi-lingual and low-income. 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 also 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, with the exception of the comments preceded 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,

Steven D. Wielkocz

Steven D. Wielkocz, C.P.A.
Public School Accountant

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

SCHEDULE OF AUDITED ENROLLMENTS

**TOWNSHIP OF TEANECK SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018**

Year Ended June 30, 2019

Enrollment Category	2019-2020 Application for State School Aid						Sample for Verification						Errors per Registers			Private Schools for Disabled								
	Reported on ASOA		Workpapers		Errors		Sample		Verified		On Roll		Shared		On Roll		Shared		Reported on ASOA as Private Schools		Sample for Verification		Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool	23		23		23		23		23		23													
Full Day Preschool	51		51		51		51		51		51													
Half Day Kindergarten	178		178		178		178		178		178													
One	182		182		182		182		182		182													
Two	183		183		183		183		183		183													
Three	180		180		180		180		180		180													
Four	182		182		182		182		182		182													
Five	181		181		181		181		181		181													
Six	213		213		213		213		213		213													
Seven	203		203		203		203		203		203													
Eight	214		214		214		214		214		214													
Nine	212	1	212	1	212	1	212	1	212	1	212	1												
Ten	211	3	211	3	211	3	211	3	211	3	211	3												
Eleven	216		216		216		216		216		216													
Twelve	241	2	241	2	241	2	241	2	241	2	241	2												
Subtotal	2,670	6	2,670	6	2,670	6	2,670	6	2,670	6	2,670	6												
Special Ed. Elementary	349		349		349		349		349		349													
Special Ed. Middle	193		193		193		193		193		193													
Special Ed. High School	292	3	292	3	292	3	292	3	292	3	292	3												
Subtotal	834	3	834	3	834	3	834	3	834	3	834	3												
Totals	3,504	9	3,504	9	3,504	9	3,504	9	3,504	9	3,504	9												
Percentage Error																								

SCHEDULE OF AUDITED ENROLLMENTS

**TOWNSHIP OF TEANECK
BOARD OF EDUCATION**

**Application for State School Aid Summary
Enrollment as of October 15, 2018**

Year ended June 30, 2019

Enrollment category	Low Income		Sample for Verification		Resident LEP Low Income		Sample for Verification	
	Reported on A.S.S.A. as Low Income	Reported on workpapers as Low Income	Sample selected from workpapers	Verified to Application and Register	Reported on A.S.S.A as LEP low Income	Reported on Workpapers LEP low Income	Sample Selected from Workpapers	Verified to Test score and Register
Half Day Preschool								
Full Day Preschool								
Half Day Kindergarten								
Full Day Kindergarten	68	68	15	15	8	8	5	5
One	81	81	15	15	11	11	8	8
Two	90	90	17	17	6	6	5	5
Three	96	96	18	18	4	4	3	3
Four	71	71	13	13	1	1	1	1
Five	83	83	15	15	1	1	1	1
Six	91	91	17	17	3	3	2	2
Seven	93	93	17	17	5	5	4	4
Eight	96	96	18	18	1	1	1	1
Nine	80	80	15	15	6	6	5	5
Ten	60	60	10	10	1	1	1	1
Eleven	67	67	12	12	5	5	4	4
Twelve	87	87	16	16	7	7	5	5
Special Ed. Elementary	162	162	30	30	3	3	2	2
Special Ed. Middle School	100	100	18	18				
Special Ed. High School	111	111	18	18	1	1	1	1
	1436	1436	264	264	63	63	48	48

Percentage

Category	Transportation			
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Tested	Verified
Regular - Public Schools, col. 1	356	356	171	171
Transported- Non-Public	2330	2330	284	284
Regular - Special Education, col. 4	76	76	58	58
Special needs, col. 6	315	315	151	151
Totals	3077	3077	664	664

Percentage

	Reported	Re-calc.
Avg. Mileage - Regular Excluding Grade PK	4.4	4.4
Avg. Mileage - Regular Including Grade PK	4.4	4.4
Avg. Mileage - Special Ed with Special Needs	4.2	4.2

**TOWNSHIP OF TEANECK
BOARD OF EDUCATION**

SCHEDULE OF AUDITED ENROLLMENTS

Application for State School Aid Summary
Enrollment as of October 15, 2018

Year ended June 30, 2019

Enrollment category	Resident LEP Not Low Income		Sample for Verification		
	Reported on A.S.S.A as LEP Not low Income	Reported on Workpapers LEP Not low Income	Sample Selected from Workpapers	Verified to Test score and Register	Sample Errors
Half Day Preschool					
Full Day Preschool					
Half Day Kindergarten					
Full Day Kindergarten	7	7	4	4	4
One	9	9	7	7	7
Two	4	4	3	3	3
Three	4	4	3	3	3
Four	1	1	1	1	1
Five	4	4	3	3	3
Six	1	1	1	1	1
Seven	4	4	3	3	3
Eight	5	5	4	4	4
Nine	4	4	3	3	3
Ten	4	4	3	3	3
Eleven	3	3	2	2	2
Twelve	2	2	2	2	2
Special Ed. Elementary	1	1	1	1	1
Special Ed. Middle School					
Special Ed. High School					
	<u>53</u>	<u>53</u>	<u>40</u>	<u>40</u>	<u>40</u>

Percentage

**TEANECK BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION**

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2018-19 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>106,963,926</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>12,325,604</u>	(B2a)
Assets Acquired Under Capital Leases	\$ <u>901,300</u>	(B2b)
Adjusted 18-19 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ <u>93,737,022</u>	(B3)
2% of Adjusted 2018-19 General Fund Expenditures [(B3) times .02]	\$ <u>1,874,740</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>1,874,740</u>	(B5)
Increased by: Allowable Adjustment *	\$ <u>179,393</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		\$ <u><u>2,054,133</u></u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-19 (Per CAFR Budgetary Comparison Schedule C-1))	\$ <u>17,363,796</u>	(C)
Decreased by:		
Year-end Encumbrances	\$ <u>2,789,529</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>1,942,818</u>	(C3)
Other Restricted Fund Balances****	\$ <u>8,883,311</u>	(C4)
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	\$ <u>135,512</u>	(C5)
Additional Assigned Fund Balance - Unreserved- Designated for Subsequent Year's Expenditures July 1, 2018 - August 1, 2018	\$ _____	(C6)*****
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]		\$ <u><u>3,612,626</u></u> (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 1,558,493 (E)

Recapitulation of Excess Surplus as of June 30, 2019

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>1,942,818</u>	(C3)
Reserved Excess Surplus ***[(E)]	\$ <u>1,558,493</u>	(E)
Total [(C3) + (E)]	\$ <u>3,501,311</u>	(D)

- * Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:
- (H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
 - (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
 - (J1) Extraordinary Aid;
 - (J2) Additional Nonpublic School Transportation Aid;
 - (J3) Recognized current year School Bus Advertising Revenue; and
 - (J4) Family Crisis Transportation Aid

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

Detail of Allowable Adjustments

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ _____	(J1)
Additional Nonpublic School Transportation Aid	\$ <u>179,393</u>	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
Total Adjustments [(H)+{I)+(J1)+(J2)+(J3)+(J4)]	\$ <u>179,393</u>	(K)

** This amount represents the June 30, 2019 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 for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

Detail of Other Reserved Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Sale/Lease-back reserve	\$ _____
Capital Reserve	\$ <u>7,082,301</u>
Maintenance Reserve	\$ <u>1,701,010</u>
Emergency Reserve	\$ _____
Tuition Reserve	\$ <u>100,000</u>
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ _____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ _____
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ _____
Other state/government mandated reserve	\$ _____
[Other Restricted Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ <u>8,883,311</u> (C4)

**TOWNSHIP OF TEANECK BOARD OF EDUCATION
AUDIT RECOMMENDATION SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

That the Position Control Roster be updated and maintained with the mandatory detailed information as prescribed by N.J.A.C. 6A:23A-6.8.

The District should reference the Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2019 Edition and other available reference materials, such as the Budget Guidelines for the proper classification required to be in compliance with N.J.A.C. 6A:23-2.3(f).

All cash receipts should be promptly deposited.

All transactions should be recorded in the operating system.

That all stale dated reconciling items be reviewed and voided as appropriate.

3. School Purchasing Programs

None

4. School Food Service

Catering services should be paid for by those receiving the services and should not be charged to food service.

5. Student Body Activities

That more care be taken to ensure that all tickets are properly recorded and accounted for.

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.