

**TOWN OF BOONTON SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2020**

**TOWN OF BOONTON SCHOOL DISTRICT
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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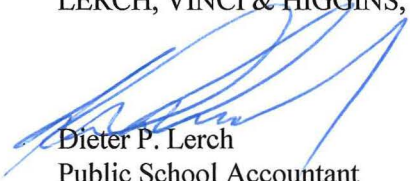
Honorable President and Members
of the Board of Education
Town of Boonton School District
Boonton, New Jersey

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 Town of Boonton School District as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated January 8, 2021.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,
LERCH, VINCI & HIGGINS, LLP



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 8, 2021

**TOWN OF BOONTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Superintendent of Schools, 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, "Schedule of Insurance", as presented in the District's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Steven Gardberg	Board Secretary/School Business Administrator	\$250,000
Judith Favino	Treasurer of School Monies	\$250,000

There is a Public Employees' Faithful Performance Blanket Position Bond with Western Surety Company covering all other employees with multiple coverage of \$100,000.

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-17.1(f)3*.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review revealed minor discrepancies with respect to signature certification, proper itemization or supporting documentation. Due to the immaterial nature of these discrepancies, no audit recommendation is warranted.

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 payroll taxes were deposited in the Payroll Agency Account.

**TOWN OF BOONTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

The District filed the required Certification (ECERT1) of Compliance with requirements for income tax compensation of certain administration with the NJ Department of Treasury by the March 15 due date.

Payrolls were certified by the Board President, Board Secretary/School Business Administrator and Chief School Administrator.

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:23-8.3. As a result of the procedures performed, no additional procedures were deemed necessary to test the propriety of expenditure classification.

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 reserve 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.

Board Secretary's and Treasurer's

The minutes maintained by the Board Secretary were in good condition.

The financial records, books of account and minutes maintained by the Board Secretary were in satisfactory condition.

The prescribed contractual order system was followed.

Acknowledgment of the Board's receipt of the Board Secretary's monthly financial reports was included in the minutes.

The Board Secretary's and Treasurer's monthly financial reports were presented to the Board on a timely basis and were submitted to the Executive County Superintendent as prescribed by N.J.S.A. 18:17-9 and 18A :17-36.

Finding – Revenues and receivables, as reflected in the District's financial reporting system, required numerous adjustments to properly reflect actual revenues realized and receivables due to the District.

Recommendation – The revenue account report be reviewed on a monthly basis to ensure accurate reporting of District revenues and receivables.

Finding – Our audit indicated that total payments reflected on the check register were not in agreement with the total amount of payments on the vendor report.

Recommendation – A review of the financial reporting system be made to ensure that the total payment amount reflected on the vendor history report is in agreement with the year to date check register total.

**TOWN OF BOONTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Financial Planning, Accounting and Reporting (Continued)

Treasurer's Records

The Treasurer did perform cash reconciliations for all accounts required.

All cash receipts were promptly deposited.

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 projects under Titles I, II and III of the Elementary and Secondary Education Act, as amended.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 and Exhibit K-4 located in the Single Audit Section of the CAFR.

Our examination 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 contained herein represent a true statement of the financial position pertaining to the aforementioned special projects.

I.D.E.A. Part B

Separate accounting records were maintained for each approved project. Grant application approvals and acceptance of grant funds were made by Board resolution.

T.P.A.F. Reimbursements

Our audit procedures included a test of the semi-monthly reimbursement forms 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 for reimbursement to 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 60 day grant liquidation period required by the Office of Grants Management.

Non-Public State Aid

Project Completion Reports were finalized and transmitted to the department by the due date.

Finding – Our audit indicated that expenditures reported on the nonpublic project completion report were not in agreement with the District's financial records.

Recommendation – Expenditures reported on the Nonpublic Projection Completion Report be in agreement with District financial records.

**TOWN OF BOONTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

School Purchasing Programs

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) on \$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.

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 19761, c. 198 (C.40A:11-9), the Board of Education may establish that the bid threshold may be up to \$40,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. The Board has designated the Business Administrator as the qualified purchasing agent.

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 Board Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that purchases were made through the use of State contracts.

School Food Service

In accordance with the Governor's Declaration of Emergency pertaining to COVID-19, all public, charter and non-public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to free and reduced price eligible students during the period of school closures.

Therefore, SFA's were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A. 18A:18A-7. The SFA's were also authorized to submit contract modifications to their existing cost reimbursable or fixed price contracts as necessary to ensure the feeding of free and reduce priced meal eligible students.

SFA's were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all free and reduced price meal eligible students during the emergency.

**TOWN OF BOONTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

School Food Service (Continued)

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 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. 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.

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

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations.

The financial transactions and statistical records of the school food service fund were maintained in good condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

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 with exception. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes a breakeven operating result provision. This provision was not met by the FSMC for the current fiscal year due to COVID.

Cash receipts and bank records were reviewed for timely deposit.

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.

The cash disbursements records reflected expenditures for program related goods and services with exceptions noted. 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 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.

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 or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal policy was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Exhibits B-4 through B-6 of the CAFR.

**TOWN OF BOONTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Student Body Activity

The Board has a policy, which clearly established the regulation of student activity funds.

Cash receipts and disbursements records were maintained for student activity funds.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2019 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low-income and bilingual students. 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 with exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district did maintain 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 2019-20 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.

Facilities and Capital Assets

Our procedures included a review of the District's capital assets and related capital projects for consistency in the awarding of contracts for eligible facilities construction.

Miscellaneous

Testing for Lead of all Drinking Water in Educational Facilities

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

Follow-up Prior Year Findings

In accordance with government standards, our procedures included a review of all prior year recommendations.

**TOWN OF BOONTON SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Not Applicable

**TOWN OF BOONTON SCHOOL DISTRICT
FOOD SERVICE FUND
NET CASH RESOURCE SCHEDULE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

		<u>Food Service</u>	
<u>Net Cash Resources:</u>			
CAFR	*	Current Assets	17,976
B-4		Cash	
B-4		Intergovernmental Receivables	11,887
B-4		Accounts Receivable	13,330
B-4		Due from Other Funds	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(11,662)
B-4		Less Due to Other Funds	(60,015)
B-4		Less Unearned Revenue	(15,368)
		Net Cash Resources	<u>\$ (43,852) (A)</u>
<u>Net Adj. Total Operating Expense:</u>			
B-5		Total Operating Expenses	508,531
B-5		Less Depreciation	(15,061)
		Adj. Tot. Oper. Exp.	<u>\$ 493,470 (B)</u>
<u>Average Monthly Operating Expense:</u>			
		B / 10	<u>\$ 49,347 (C)</u>
<u>Three times monthly Average Operating Expense:</u>			
		3 X C	<u>\$ 148,041 (D)</u>

TOTAL IN BOX A	\$	(43,852)	
LESS TOTAL IN BOX D	\$	(148,041)	
NET	\$	(191,893)	
Net Cash Resources Did Not Exceed Three Months Expenditures.			

**BOONTON BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID (A.S.S.A.)
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2019**

	2020-21 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Reported on		Sample	
	A.S.S.A.		Workpapers				Selected from		Register		Registers		A.S.S.A. as		for	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private	Verifi-	Sample	Sample
On Roll	On Roll					Workpapers	Workpapers	On Roll	On Roll	On Roll	On Roll	Schools	cation	Verified	Errors	
Half Day Preschool - 3 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 3 years	90	-	90	-	-	-	8	-	8	-	-	-	-	-	-	-
Half Day Preschool - 4 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 4 years	-	-	-	-	-	-	21	-	21	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	72	-	84	-	(12)	-	84	-	84	-	-	-	-	-	-	-
1st Grade	58	-	81	-	(23)	-	81	-	81	-	-	-	-	-	-	-
2nd Grade	66	-	64	-	2	-	64	-	64	-	-	-	-	-	-	-
3rd Grade	72	-	78	-	(6)	-	78	-	78	-	-	-	-	-	-	-
4th Grade	66	-	70	-	(4)	-	70	-	70	-	-	-	-	-	-	-
5th Grade	57	-	55	-	2	-	55	-	55	-	-	-	-	-	-	-
6th Grade	72	-	59	-	13	-	59	-	59	-	-	-	-	-	-	-
7th Grade	70	-	74	-	(4)	-	74	-	74	-	-	-	-	-	-	-
8th Grade	61	-	56	-	5	-	56	-	56	-	-	-	-	-	-	-
9th Grade	108	-	108	-	-	-	128	-	128	-	-	-	-	-	-	-
10th Grade	151	-	133	-	18	-	133	-	133	-	-	-	-	-	-	-
11th Grade	119	6	111	3	8	3	111	3	111	3	-	-	-	-	-	-
12th Grade	119	3	117	5	2	(2)	117	5	117	5	-	-	-	-	-	-
Subtotal	1,181	9	1,180	8	1	1	1,139	8	1,139	8	-	-	-	-	-	-
Spec Ed - Elementary	87	-	91	-	(4)	-	19	-	19	-	-	-	4	4	4	-
Spec Ed - Middle School	44	-	45	-	(1)	-	10	-	10	-	-	-	2	2	2	-
Spec Ed - High School	121	7	112	9	9	(2)	26	9	26	9	-	-	8	9	7	2
Subtotal	252	7	248	9	4	(2)	55	9	55	9	-	-	14	15	13	2
Totals	1,433	16	1,428	17	5	(1)	1,194	17	1,194	17	-	-	14	15	13	2
Percentage Error					<u>0.35%</u>	<u>-6.25%</u>					<u>0.00%</u>	<u>0.00%</u>				<u>13.33%</u>

**BOONTON BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID (A.S.S.A.)
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2019**

	Low Income			Sample for Verification			LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool (3 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool (3 Yrs)	14	14	-	3	3	-	-	-	-	-	-	-
Half Day Preschool (4 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool (4 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	24	24	-	4	4	-	6	6	-	4	4	-
1st Grade	24	24	-	4	4	-	9	9	-	6	6	-
2nd Grade	15	15	-	2	2	-	6	6	-	4	4	-
3rd Grade	25	25	-	4	4	-	5	5	-	3	3	-
4th Grade	18	18	-	3	3	-	5	5	-	3	3	-
5th Grade	18	18	-	3	3	-	1	1	-	1	1	-
6th Grade	23	23	-	4	4	-	-	-	-	-	-	-
7th Grade	21	21	-	3	3	-	3	3	-	2	2	-
8th Grade	19	19	-	3	3	-	1	1	-	1	1	-
9th Grade	19	19	-	3	3	-	2	2	-	1	1	-
10th Grade	27	20	7	4	4	-	4	3	1	2	2	-
11th Grade	24	18	6	3	3	-	1	1	-	1	1	-
12th Grade	20	12	8	2	2	-	1	1	-	1	1	-
Subtotal	291	270	21	45	45	-	44	43	1	29	29	-
Spec Ed - Elementary	35	35	-	6	6	-	6	4	2	2	2	-
Spec Ed - Middle School	27	27	-	4	4	-	2	2	-	1	1	-
Spec Ed - High School	40	31	9	6	6	-	1	-	1	-	-	-
Subtotal	102	93	9	16	16	-	9	6	3	3	3	-
Totals	393	363	30	61	61	-	53	49	4	32	32	-
Percentage Error			<u>7.63%</u>			<u>0.00%</u>			<u>7.55%</u>			<u>0.00%</u>

	Transportation			Tested	Verified	Errors
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors			
Regular - Public Schools	33	33	-	24	24	-
Transported - Non-Public	-	-	-	-	-	-
Regular - Spec.	9	9	-	7	7	-
Special Needs - Public	22	22	-	16	16	-
Totals	64	64	-	47	47	-
			<u>0.00%</u>			<u>0.00%</u>

**BOONTON BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID (A.S.S.A.)
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2019**

	LEP Not Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Register	Sample Errors
Half Day Preschool (3 Yrs)	-	-	-	-	-	-
Full Day Preschool (3 Yrs)	-	-	-	-	-	-
Half Day Preschool (4 Yrs)	-	-	-	-	-	-
Full Day Preschool (4 Yrs)	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	3	3	-	1	1	-
1st Grade	4	4	-	2	2	-
2nd Grade	1	1	-	1	1	-
3rd Grade	-	-	-	-	-	-
4th Grade	1	1	-	1	1	-
5th Grade	-	-	-	-	-	-
6th Grade	-	-	-	-	-	-
7th Grade	-	-	-	-	-	-
8th Grade	1	1	-	1	1	-
9th Grade	-	-	-	1	1	-
10th Grade	3	5	(2)	2	2	-
11th Grade	2	4	(2)	2	2	-
12th Grade	1	1	-	1	1	-
Subtotal	<u>16</u>	<u>20</u>	<u>(4)</u>	<u>12</u>	<u>12</u>	<u>-</u>
Spec Ed - Elementary	1	1	-	1	1	-
Spec Ed - Middle School	1	1	-	1	1	-
Spec Ed - High School	1	1	-	1	1	-
Subtotal	<u>3</u>	<u>3</u>	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
Totals	<u>19</u>	<u>23</u>	<u>(4)</u>	<u>15</u>	<u>15</u>	<u>-</u>
Percentage Error			<u>-21.05%</u>			<u>0.00%</u>

**TOWN OF BOONTON SCHOOL DISTRICT
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2019-20 Total General Fund Expenditures per the CAFR (Exhibit C-1)	\$ 31,693,953	
Increased by:		
Transfer to Special Revenue Fund - Preschool Program	198,861	
Decreased by:		
On-Behalf TPAF Pension & Social Security	<u>(4,441,531)</u>	
Adjusted 2019-20 General Fund Expenditures		<u>\$ 27,451,283</u>
2% of Adjustment 2019-20 General Fund Expenditures	\$ 549,026	
Increased by: Allowable Adjustment - Extraordinary Aid	<u>282,328</u>	
Maximum Unassigned Fund Balance		<u>\$ 831,354</u>
Total General Fund - Fund Balance at June 30, 2020 (Per CAFR Budgetary Comparison Schedule C-1)		
	\$ 1,784,524	
Decreased by:		
Year End Encumbrances	144,649	
Designated for Subsequent Year's Expenditures	102,761	
Other Restricted Fund Balance - Capital/Tuition Reserve	<u>1,092,000</u>	
Total Unassigned Fund Balance		<u>\$ 445,114</u>
Restricted Fund Balance - Excess Surplus		<u>\$ -</u>

**TOWN OF BOONTON SCHOOL DISTRICT
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. The revenue account report be reviewed on a monthly basis to ensure accurate reporting of District revenues and receivables.
2. A review of the financial reporting system be made to ensure that the total payment amount reflected on the vendor history report is in agreement with the year to date check register total.
3. Expenditures reported on the Nonpublic Projection Completion Report be in agreement with District financial records.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Student Body Activity

There are none.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

**TOWN OF BOONTON SCHOOL DISTRICT
RECOMMENDATIONS**

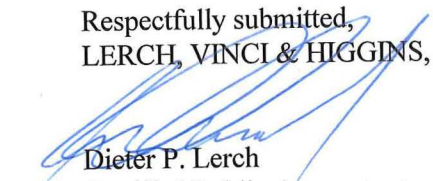
IX. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations. Corrective action was taken on all prior year recommendations.

ACKNOWLEDGEMENT

We received the complete cooperation of all the officials of the school district and would like to thank the Business Office, Superintendent's Office and their staff for the courtesies extended to us.

Respectfully submitted,
LERCH, VINCI & HIGGINS, LLP



Dieter P. Lerch
Certified Public Accountant
Public School Accountant