

**WESTWOOD REGIONAL SCHOOL DISTRICT
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2020**

**WESTWOOD REGIONAL SCHOOL DISTRICT
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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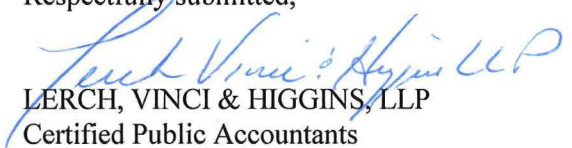
Honorable President and Members
of the Board Trustees
Westwood Regional School District
Washington Township, New Jersey

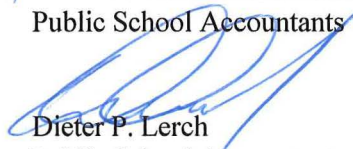
We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Westwood Regional School District as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated December 18, 2020.

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
Certified Public Accountants
Public School Accountants


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
December 18, 2020

**WESTWOOD REGIONAL 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 Treasurer of School Monies, 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 the Insurance Schedule contained in the District's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Keith Rosado	School Business Administrator/ Board Secretary	\$100,000
Deborah Carpino	Treasurer of School Monies	350,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$250,000.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review indicated that the required signatures, certifications and supporting documentation were obtained on the respective purchase orders and/or vouchers.

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

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholdings.

The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law respecting the reporting of compensation for certain employees.

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

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.

Finding – Our audit indicated that certain year end outstanding purchase orders were misclassified as encumbrances rather than accounts payable. In addition, certain outstanding purchase order balances classified as encumbrances did not represent obligations of the District.

Recommendation – Outstanding purchase order balances be reviewed to ensure validity of obligations and to ensure proper classification as encumbrances or accounts payable.

Travel

The District had an approved board travel policy as required by N.J.A.C. 6A:23A-6.13 and N.J.S.A. 18A:11-12.

Payments made to employees for a travel event were in accordance with the approved travel policy.

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.

Board Secretary's Records

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

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

The prescribed contractual order system was followed. Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

Treasurer's Records

The Treasurer performed cash reconciliations in accordance with N.J.S.A. 18A:17-9.

All cash receipts were promptly deposited.

Finding – Our audit indicated that several old outstanding checks remain on the reconciliations of the general operating and net payroll bank accounts.

Recommendation – Old outstanding checks in the general operating and net payroll bank accounts be reviewed and cleared of record.

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

Financial Planning, Accounting and Reporting (Continued)

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

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 Title I, Title II and Title III of the Elementary and Secondary Education Act as amended.

Our examination indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

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 CAFR.

Our examination 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.

Finding (CAFR Finding 2020-01) – Our audit indicated that the District did not maintain the required level of effort with respect to the Special Education expenditures related to the federal IDEA grant program.

Recommendation – The District maintain its level of effort with respect to special education expenditures funded from state and/or local funds in accordance with the Federal IDEA grant program compliance requirements.

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. No exceptions were noted.

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 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.

Non Public State Aid

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

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

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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 has designated the School 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 fiscal 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.

Finding - Our audit indicated that payments were made for advertising services, the cost of which exceeded the bid threshold, for which bids were not solicited through public advertisement.

Recommendation – Advertising services, the cost of which exceed the bid threshold, be procured through public advertisement for bids or through the use of competitive contracting.

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.

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.

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

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 and/or state support. Accordingly, we 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 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.

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 a profit of \$20,000. The operating results provision has not been met due to COVID-19. All vendor discounts rebates and credits from vendors and/or FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation.

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

Inventory records on food and 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. 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.

USDA Food Distribution Program commodities were reviewed and a single 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 B of the CAFR.

Summer Enrichment Program

The financial transactions and records of the Summer Enrichment Program were maintained in satisfactory condition.

The district has a formal Board policy establishing uniform accounting policies and procedures for the district's student activity funds.

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

Student Activity Accounts / Scholarship Accounts

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

Cash receipts and disbursements records for all schools were maintained in satisfactory condition.

Finding – Our audit of the high school activity and athletic accounts indicated several prior year checks remain outstanding on the respective bank account reconciliations.

Recommendation – Old outstanding checks in the high school activity and athletic accounts be reviewed and appropriately cleared of record.

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 handicapped, bilingual students 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 with an immaterial exception noted. 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 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 also included a review of transportation related contracts and purchases.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreement for consistence with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

Finding – Our audit indicated certain capital improvements which have been completed are not included on the District's capital assets appraisal report.

Recommendation – The District's capital asset appraisal report be updated to reflect all completed capital improvement projects.

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

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 on Prior Year Findings

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

Suggestion to Management

1. Continued efforts be made to collect outstanding NJ School Development Authority grants due to the District.
2. Unexpended proceeds from the District's 2007 referendum be transferred to the Debt Service Fund.

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

NOT APPLICABLE

**WESTWOOD REGIONAL SCHOOL DISTRICT
FOOD SERVICE FUND
NET CASH RESOURCES SCHEDULE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Net Cash Resources

Current Assets

Cash and Cash Equivalents	\$	261,931
Accounts Receivable		2,184
Intergovernmental Accounts Receivable		9,165

Current Liabilities

Accounts Payable		(23,448)
Unearned Revenue		(45,785)

Net Cash Resources **\$ 204,047 (A)**

Operating Expenditures

Total Operating Expenditures		847,640
Less Depreciation		(9,645)

Adjusted Total Operating Expenditures **\$ 837,995 (B)**

Average Monthly Operating Expense:

B / 10 **\$ 83,800 (C)**

Three times monthly Average:

C x 3 **\$ 251,399 (D)**

TOTAL IN BOX A \$ 204,047

LESS TOTAL IN BOX D \$ 251,399

NET \$ -

WESTWOOD REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2019
SCHEDULE OF AUDITED ENROLLMENTS

	2020-2021 Application for State School Aid						Sample for Verification						Private Schools for Disabled					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Reported on		Reported on		Sample	
	A.S.S.A.		Workpapers				Selected from		Register		Registers		A.S.S.A. as		Workpapers. as		for	
	On Roll	Shared	On Roll	Shared	Full	Shared	Workpapers	On Roll	On Roll	On Roll	Private	Private	Private	Private	Errors	Verifi-	Sample	Sample
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	Schools	Errors	cation	Verified	Errors	
Half Day Preschool 3 Years Old	8		8					8		8								
Full Day Preschool 3 Years Old																		
Half Day Preschool 4 Years Old	11		11					11		11								
Full Day Preschool 4 Years Old																		
Half Day Kindergarten																		
Full Day Kindergarten	201		201					47		47								
Grade 1	187		187					37		37								
Grade 2	198		198					40		40								
Grade 3	206		206					47		47								
Grade 4	180		180					46		46								
Grade 5	176		176					48		48								
Grade 6	186		186					186		186								
Grade 7	181		181					181		181								
Grade 8	191		191					191		191								
Grade 9	157	-	157	-				157		157								
Grade 10	176	1	176	1				176	1	176	1							
Grade 11	179	2	179	2				179	2	179	2							
Grade 12	162	1	162	1				162	1	162	1							
Post- Graduate																		
Adult High School (15+ Credits)																		
Adult High School (1-14 Credits)																		
Subtotal	2,399	4	2,399	4	-	-	1,516	4	1,516	4	-	-	-	-	-	-	-	-
Sp Ed - Elementary	166		166					47		47			5	5		4	4	
Sp Ed - Middle School	99		99					70		70			4	4		3	3	
Sp Ed - High School	123	-	123	-	-	-	123	-	123	-	-	-	15	15	-	13	13	-
Subtotal	388	-	388	-	-	-	240	-	240	-	-	-	24	24	-	20	20	-
County Vocational - Regular																		
County Vocational - F.T. Post-Second																		
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	2,787	4	2,787	4	-	-	1,756	4	1,756	4	-	-	24	24	-	20	20	-
Percentage Error					0.00%	0.00%					0.00%							0.00%

**WESTWOOD REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2019
SCHEDULE OF AUDITED ENROLLMENTS**

	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
Half Day Preschool 3 Years Old						
Full Day Preschool 3 Years Old						
Half Day Preschool 4 Years Old						
Full Day Preschool 4 Years Old						
Half Day Kindergarten						
Full Day Kindergarten	7	7		4	4	
Grade 1	16	16		3	3	
Grade 2	8	8	-	4	4	
Grade 3	13	13	-	1	1	
Grade 4	11	11	-	5	5	
Grade 5	18	18	-	3	3	
Grade 6	12	12	-	4	4	
Grade 7	18	18	-	5	5	
Grade 8	15	15	-	2	2	
Grade 9	14	14	-	4	4	
Grade 10	18	19	(1)	3	3	
Grade 11	10	10	-	4	4	
Grade 12	12	12	-	2	2	
Post- Graduate						
Adult High School (15+ Credits)						
Adult High School (1-14 Credits)						
Subtotal	172	173	(1)	44	44	-
Sp Ed - Elementary	19	19	-	5	5	
Sp Ed - Middle School	10	10	-	4	4	
Sp Ed - High School	24	24	-	5	5	
Subtotal	53	53	-	14	14	-
Res. Mental Health Ctr.						
Subtotal	-	-	-	-	-	-
Totals	225	226	(1)	58	58	-
Percentage Error			<u>-0.44%</u>			<u>0.00%</u>

	Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Half Day Preschool 3 Years Old						
Full Day Preschool 3 Years Old						
Half Day Preschool 4 Years Old						
Full Day Preschool 4 Years Old						
Half Day Kindergarten						
Full Day Kindergarten	4	4		2	2	
Grade 1	5	5		1	1	
Grade 2	2	2		1	1	
Grade 3	2	2		1	1	
Grade 4	3	3		1	1	
Grade 5	2	2		1	1	
Grade 6	1	1		1	1	
Grade 7		-		-	-	
Grade 8	3	3		2	2	
Grade 9	1	1		1	1	
Grade 10	2	2		1	1	
Grade 11	1	1		1	1	
Grade 12	1	1		1	1	
Post- Graduate	5	5		1	1	
Adult High School (15+ Credits)						
Adult High School (1-14 Credits)						
Subtotal	32	32	-	15	15	-
Sp Ed - Elementary						
Sp Ed - Middle School						
Sp Ed - High School						
Subtotal	0	-	-	-	-	-
Res. Mental Health Ctr.						
Subtotal	-	-	-	-	-	-
Totals	32	32	-	15	15	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	255	255		122	120	2
Regular - Special Ed	5	5		2	2	-
Transported - Non Public	44	44		21	21	
Special Needs	51	51	-	24	24	-
Subtotal	355	355	-	169	167	2
Percentage Error			<u>0.0%</u>			<u>1.2%</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2019
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application and Register	Errors
Half Day Preschool 3 Years Old						
Full Day Preschool 3 Years Old						
Half Day Preschool 4 Years Old						
Full Day Preschool 4 Years Old						
Half Day Kindergarten						
Full Day Kindergarten	10	10		2	2	
Grade 1	5	5		2	2	
Grade 2	3	3		1	1	
Grade 3	2	2		2	2	
Grade 4	2	2		1	1	
Grade 5	5	5		1	1	
Grade 6	2	2		1	1	
Grade 7	2	2		1	1	
Grade 8	1	1		1	1	
Grade 9		-		-	-	
Grade 10		-		-	-	
Grade 11	2	2		1	1	
Grade 12	3	3		1	1	
Post- Graduate	1	1		1	1	
Adult High School (15+ Credits)						
Adult High School (1-14 Credits)						
Subtotal	38	38	-	15	15	-
Sp Ed - Elementary						
Sp Ed - Middle School						
Sp Ed - High School						
Subtotal	-	-	-	-	-	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal	-	-	-	-	-	-
Totals	38	38	-	15	15	-
Percentage Error		<u>0.00%</u>			<u>0.00%</u>	

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

REGULAR DISTRICT

Section 1

Two Percent (2%) - Calculation of Excess Surplus

2019-20 Total General Fund Expenditures per the CAFR, Exhibit C-1	\$61,517,158	
Increased by:		
Capital Reserve Transfer to Capital Projects	765,747	
Decreased by:		
On-Behalf TPAF Pension & Social Security	<u>(8,780,516)</u>	
Adjusted 2019-20 General Fund Expenditures	<u>\$53,502,389</u>	
2% of Adjusted 2019-20 General Fund Expenditures	\$1,070,048	
Increased by:		
Allowable Adjustment*	<u>566,910</u>	
Maximum Unassigned Fund Balance		<u>\$1,636,958</u>

Section 2 –

Total General Fund – Fund Balance at June 30, 2020 (Per CAFR Budgetary Comparison Schedule C-1)	\$16,609,486	
Decreased by:		
Year End Encumbrances	\$ 1,016,322	
Legal Reserves	11,520,676	
Excess Surplus – Designated for Subsequent Year’s Expenditures	750,000	
Designated for Subsequent Year’s Expenditures	<u>685,530</u>	
	<u>13,972,528</u>	
Total Unassigned Fund Balance		<u>\$2,636,958</u>

Section 3

Restricted Fund Balance – Excess Surplus	<u>\$1,000,000</u>
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Recapitulation of Excess Surplus as of June 30, 2020

Excess Surplus – Designated for Subsequent Year’s Expenditures	\$750,000
Excess Surplus	<u>1,000,000</u>
Total Excess Surplus	<u>\$1,750,000</u>

***Detail of Allowable Adjustments**

Nonpublic School Transportation Aid	\$ 1,450
Extraordinary Aid	<u>565,460</u>
	<u>\$566,910</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Outstanding purchase order balances be reviewed to ensure validity of obligations and to ensure proper classification as encumbrances or accounts payable.
- * 2. Old outstanding checks in the general operating and net payroll bank accounts be reviewed and cleared of record.
3. The District maintain its level of effort with respect to special education expenditures funded from state and/or local funds in accordance with the Federal IDEA grant program compliance requirements.

III. School Purchasing Program

It is recommended that advertising services, the cost of which exceed the bid threshold, be procured through public advertisement for bids or through the use of competitive contracting.

IV. School Food Service

There are none.

V. Student Body Activities

- * It is recommended that old outstanding checks in the high school activity and athletic accounts be reviewed and appropriately cleared of record.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

- * It is recommended that the District's capital asset appraisal report be updated to reflect all completed capital improvement projects.

**WESTWOOD REGIONAL SCHOOL DISTRICT
RECOMMENDATIONS**

IX. Miscellaneous

There are none.

X. Status of Prior Years' Audit Findings/Recommendations


A review was performed on all prior years' recommendations and corrective action was taken on all other than those one denoted with an asterisk (*) above.

ACKNOWLEDGEMENT

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

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Dieter P. Lerch
Certified Public Accountant
Public School Accountant