

*Auditor's Management Report*

*for the*

*Borough of Alpine  
School District*

*in the*

*County of Bergen  
New Jersey*

*for the*

*Fiscal Year Ended  
June 30, 2021*



**AUDITOR'S MANAGEMENT REPORT OF ADMINISTRATIVE  
FINDINGS-FINANCIAL AND COMPLIANCE**

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Borough of Alpine  
County of Bergen  
Alpine, New Jersey 07620

We have audited, in accordance with U.S. generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Borough of Alpine School District in the County of Bergen for the year ended June 30, 2021, and have issued our report dated January 26, 2022

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

This report is intended solely for the information of the Alpine School District, County of Bergen, New Jersey, the New Jersey Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

CERTIFIED PUBLIC ACCOUNTANTS

PUBLIC SCHOOL ACCOUNTANT NO. 948

January 26, 2022

**Independent Auditor's Management Report of Administrative Findings – Financial Compliance**

**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 Borough of Alpine – Board of Education and the records under the auspices of the Board of Education.

**ADMINISTRATIVE PRACTICES AND PROCEDURES**

**Insurance**

Insurance coverage was carried in the amounts as detailed in the District's ACFR. (See Exhibit J-20)

**Official Bonds**

<u>NAME</u>	<u>POSITION</u>	<u>AMOUNT OF BOND</u>
Marilyn Hayward	Treasurer of School Monies	\$200,000.00
Olga Yarmolina	Board Secretary / School Business Administrator	\$85,000.00

Adequacy of insurance coverage is the responsibility of the Board of Education.

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING**

**Examination of Claims**

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

**Payroll Accounts**

The net salaries of all employees of the District were deposited in the Net Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls tested were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefit premium amounts withheld due to the general fund.

**Independent Auditor's Management Report of Administrative  
Findings – Financial Compliance**

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)**

**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.

**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, 2021.

**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, no errors were noted and no additional procedures were deemed necessary to the test the propriety of expenditure classification.

**Board Secretary's Records**

The financial records, books of account, and minutes of the Board Secretary were maintained in satisfactory condition and the contractual order system was fully implemented.

**Treasurer's Records**

The records maintained by the Treasurer of School Monies were in satisfactory condition and were in agreement with the records maintained by the Board Secretary/Business Administrator.

**Independent Auditor's Management Report of Administrative  
Findings – Financial Compliance**

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)**

**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 ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

**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 ACFR.

Our examination of the State and Federal 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 ACFR represent an accurate statement of the financial position pertaining to the aforementioned special projects.

**T.P.A.F. Reimbursement**

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

**SCHOOL PURCHASING PROGRAMS**

**Contracts and Agreements Requiring Advertisement for Bids**

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this chapter or specifically by any other law.

The Board of Education may, by resolution, approve by the majority of the board of education and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the board of education finds that it has had negative prior experience with the bidder."



**Independent Auditor's Management Report of Administrative  
Findings – Financial Compliance**

**SCHOOL PURCHASING PROGRAMS (Continued)**

**Contracts and Agreements Requiring Advertisement for Bids (Continued)**

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 18A:18A-3(a) and (c) is \$32,000.00. In accordance with N.J.S.A. 40A:11-9 (b) the bid threshold for all purchases made by the District's qualified purchasing agent is \$44,000.00. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18:39-3 is currently \$19,600.00.

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 solicitor'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.

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 provisions of N.J.S.A. 18A:18A-4.

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 the district made purchases through the use of state contracts.

**FOOD SERVICE FUND**

Since July 1, 2018, the District has elected not to participate in the federally assisted child nutrition programs encompassing the National School Lunch, Breakfast and Special Milk programs.

**STUDENT BODY ACTIVITIES**

The records for the Student Body Activities were maintained in satisfactory condition.

**Independent Auditor's Management Report of Administrative  
Findings – Financial Compliance**

**APPLICATION FOR STATE SCHOOL AID**

Our audit procedures included a test of information reported in the October 15, 2020 Application for State School Aid (A.S.S.A) for on-roll, private schools for the handicapped, 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 work papers 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 work papers 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 2020-2021 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.

**FACILITIES AND CAPITAL ASSETS**

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

**MISCELLANEOUS**

**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 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'S FINDINGS**

Not Applicable

**Independent Auditor's Management Report of Administrative Findings – Financial Compliance**

**RECOMMENDATIONS**

1. Administrative Practices and Procedures  
None
2. Financial Planning, Accounting and Reporting  
None
3. School Purchasing Program  
None
4. School Food Service  
None
5. Student Body Activities  
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's Findings/Recommendations  
Not Applicable

**ALPINE BOARD OF EDUCATION  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2020**

	2021-2022 Application for State School Aid						Sample for Verification						Private Schools for Disabled				
	Reported on		Workpapers		Errors		Sample Selected from		Registers Verified per		Errors per		Reported on		Sample		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Half Day Preschool - 3 YR																	
Half Day Preschool - 4 YR																	
Half Day Kindergarten																	
Full Day Kindergarten	16		16		-	-	12		12		-	-					
One	13		13		-	-	12		12		-	-					
Two	15		15		-	-	12		12		-	-					
Three	13		13		-	-	12		12		-	-					
Four	25		25		-	-	12		12		-	-					
Five	8		8		-	-	6		6		-	-					
Six	10		10		-	-	8		8		-	-					
Seven	20		20		-	-	10		10		-	-					
Eight	17		17		-	-	16		16		-	-					
Nine					-	-					-	-					
Ten					-	-					-	-					
Eleven					-	-					-	-					
Twelve					-	-					-	-					
Post-Graduate					-	-					-	-					
Adult H.S. (15+CR.)					-	-					-	-					
Adult H.S. (1-14 CR.)					-	-					-	-					
Subtotal	137	0	137	0	0	0	100	0	100	0	0	0	0	0	0	0	0
Special Ed - Elementary	9		9		-	-	2		2		-	-		1	1	1	0
Special Ed - Middle School	5		5		-	-	2		2		-	-		2	2	2	0
Special Ed - High School					-	-					-	-		3	3	3	0
Subtotal	14	0	14	0	0	0	4	0	4	0	0	0	0	3	3	3	0
Co. Voc. - Regular																	
Co. Voc. Ft. Post Sec.																	
Totals	151	0	151	0	0	0	104	0	104	0	0	0	0	3	3	3	0
Percentage Error					0.00%	0					0.00%	0					0.00%

**ALPINE BOARD OF EDUCATION**  
**SCHEDULE OF AUDITED ENROLLMENTS**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2020**

	Resident Low Income			Sample for Verification			Resident ELL 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 LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten												
One			0			0						0
Two			0			0						0
Three			0			0						0
Four			0			0						0
Five			0			0						0
Six			0			0						0
Seven			0			0						0
Eight			0			0						0
Nine			0			0						0
Ten			0			0						0
Eleven			0			0						0
Twelve		1	0			0						0
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	1	1	0	0	0	0	0	0	0	0	0	0
Special Ed - Elementary			0			0						0
Special Ed - Middle			0			0						0
Special Ed - High			0			0						0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.		1				0						0
Totals	1	1	0	0	0	0	0	0	0	0	0	0
Percentage Error			0.00%			0.00%						0.00%

**Transportation**

	Reported on DRTRBS by DOE county		Reported on DRTRBS by District		Tested		Verified		Errors
Reg. - Public Schools, col. 1	20	20	0	18	18	18	18	0	
Reg - SpEd, col. 4	1	1	0	1	1	1	1	0	
Transported - Non-Public ALL, col. 3	32	32	0	26	26	26	26	0	
Special Ed Spec, col. 6	6	6	0	4	4	4	4	0	
Totals	59	59	0	49	49	49	49	0	
Percentage Error			0.00%					0.00%	

Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)  
 Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B)  
 Spec Avg. = Special Ed with Special Needs

Reported	7.3	Recalculated	7.3
	7.3		7.3
	4.1		4.1

**ALPINE BOARD OF EDUCATION  
 SCHEDULE OF AUDITED ENROLLMENTS  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2020**

	Resident ELL NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool		-	-			-
Full Day Preschool		-	-			-
Half Day Kindergarten		-	-			-
Full Day Kindergarten	1	1	-	1	1	-
One		-	-			-
Two	1	1	-	1	1	-
Three		-	-			-
Four	2	2	-	2	2	-
Five		-	-			-
Six		-	-			-
Seven		-	-			-
Eight		-	-			-
Nine		-	-			-
Ten	1	1	-	1	1	-
Eleven		-	-			-
Twelve		-	-			-
Post-Graduate		-	-			-
Adult H.S. (15+CR.)		-	-			-
Adult H.S. (1-14 CR.)		-	-			-
Subtotal	5	5	0	5	5	0
Special Ed - Elementary		-	-			-
Special Ed - Middle	2	2	-	2	2	-
Special Ed - High	1	1	-	1	1	-
Subtotal	4	4	0	4	4	0
Co. Voc. - Regular		-	-			-
Co. Voc. Ft. Post Sec.		-	-			-
Totals	9	9	0	9	9	0
Percentage Error			0.00%			0.00%

**BOROUGH OF ALPINE SCHOOL DISTRICT**  
**SCHEDULE OF CALCULATION OF EXCESS SURPLUS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section 1- 4% Calculation of Excess Surplus**

2020-21 General Fund Expenditures per the ACFR (Exhibit C-1)		\$	7,303,494.60
Increased by:			
Decreased by:			
On-Behalf TPAF Pension and Social Security	\$	<u>879,765.70</u>	879,765.70
Adjusted 2020-21 General Fund Expenditures			<u>\$ 6,423,728.90</u>
4% of Adjusted 2020-21 General Fund Expenditures			<u>\$ 256,949.16</u>
Greater of 2% or \$250,000	\$	256,949.16	
Increased by: Allowable Adjustment		<u>132,872.00</u>	
Maximum Unreserved/Undesignated Fund Balance			<u>\$ 389,821.16</u>

**Section 2**

Total General Fund Balances at June 30, 2021 (Exhibit C-1)		\$	4,498,791.27
Decreased by:			
Reserved for Encumbrances	\$	133,371.36	
Other Restricted Fund Balances		<u>3,975,598.75</u>	
Total Unassigned Fund Balance			<u>\$ 389,821.16</u>

**Section 3**

Restricted Fund Balance- Excess Surplus		\$	<u>0.00</u>
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**Recapitulation of Excess Surplus at June 30, 2021**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures		\$	<u>0.00</u>
Total			<u>\$ 0.00</u>

**Detail of Allowable Adjustments:**

Extraordinary Aid (Unbudgeted)		\$	123,592.00
Additional Non-Public School Transportation Aid			<u>9,280.00</u>
			<u>\$ 132,872.00</u>

**Detail of Other Restricted Fund Balances:**

Capital Reserve		\$	3,898,713.91
Unemployment Compensation			19,934.84
Security Deposits			6,950.00
Emergency Reserve			<u>50,000.00</u>
			<u>\$ 3,975,598.75</u>





