

**MIDLAND PARK BOARD OF EDUCATION  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL COMPLIANCE AND PERFORMANCE  
JUNE 30, 2021**

**MIDLAND PARK BOARD OF EDUCATION  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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# LERCH, VINCI & HIGGINS, LLP

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Honorable President and  
Members of the Board of Education  
Midland Park Board of Education  
Midland Park, New Jersey

We have audited in accordance with auditing standards generally accepted audit standards Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Midland Park Board of Education in the County of Bergen as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated February 14, 2022.

As part of our audit, we performed procedures required by the Office of School Finance, New Jersey 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 for the information and use of management, the Board of Education, others within the District and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants

Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
February 14, 2022

**MIDLAND PARK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**GENERAL COMMENTS**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator, 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 Comprehensive Annual Financial Report (the "CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Stacy Garvey	Board Secretary/School Business Administrator	\$230,000

There is an employee dishonesty coverage with Selective Insurance Company of America covering all other employees with coverage of \$500,000 per loss and \$100,000 per employee.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment to the billings to sending districts for the adjustment 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 reveal any discrepancies with respect to each of signatures, certifications or supporting documentation.

**MIDLAND PARK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Financial Planning, Accounting and Reporting (Continued)**

Payroll Account

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

Our review of payroll records indicated that all payrolls tested 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 withholding due to the general fund.

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

The District filed the required certification (E-CERT1) of compliance with requirements for income tax compensation of certain administrators with the NJ Department of Treasury by the March 15 due date.

Employee Position Control Roster

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Travel

The Board of Trustees has adopted a travel policy that complies with N.J.S.A. 18A:11-2.

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 a random sample, our sample also included new procedures required by the State Department of Education for 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, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

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

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

All cash receipts were promptly deposited.

The prescribed contractual order system was followed.

Bids received were summarized in the minutes (N.J.S.A. 18A:18:21).

**MIDLAND PARK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Financial Planning, Accounting and Reporting (Continued)**

Bank Reconciliations

The cash reconciliations for the general operating account, adult education account and payroll account were performed by the Board's designee in accordance with N.J.S.A. 18A:17-9.

The monthly records pertaining to cash reconciliations were in agreement with the records of the Board Secretary.

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 financial section (Special Revenue Fund) of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Titles I, II and IV of the Elementary and Secondary Education Act, as amended.

Our examination of the 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 District's special projects were approved as listed on Exhibits K-3 and K-4 located in the single audit section of the CAFR.

Other Special Federal and/or State Projects

Our examination of the other 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.

IDEA 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. No exceptions were noted.

TPAF 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 by the due date.

**MIDLAND PARK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

Effective July 1, 2020 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 (as amended) and 18A:18a-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (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 \$19,600. The Business Administrator has been designated the chief purchasing agent of the District and the Board of Education has adopted a resolution increasing the bid threshold to \$44,000.

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 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 goods or service, 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.

**School Food Service**

**PUBLIC HEALTH EMERGENCY**

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency all Public, Charter, 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.

During SY 2020-2021 the public health emergency was still applicable. As a result, School Food Authorities (SFA's) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) option.

SFAs 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 SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children through the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs 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 School Food Authority (SFA) has any Child Nutrition Program reimbursement overclaims. Exceptions were not 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. Exceptions were not 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.

**MIDLAND PARK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**School Food Service (Continued)**

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all 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. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

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

The Board 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. 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 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.

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.

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

Net cash resources did exceed three months average expenditures.

Exhibits reflecting Child Nutrition Program operations are included on Exhibits B-4, B-5 and B-6 of the District's CAFR.

The New Jersey Department of Agriculture, Division of Food and Nutrition (NJDA) contracted an accounting firm to conduct a Procurement Review of the School Food Authority for the fiscal year ended June 30, 2020. The review report dated August 30, 2021 did not include any exceptions and no corrective action was required.

**Student Body Activities**

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

Cash receipts and disbursements records for the student activity accounts were maintained in good condition.

**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, low-income and bilingual. We also performed a review of the district procedures related to its completion. The results of our procedures revealed immaterial differences and 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.

**MIDLAND PARK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Pupil Transportation**

Our audit procedures included a test of on-roll status reported in the 2020/21 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with no exceptions. The results of our procedures are presented in the Schedule of Audited enrollments.

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

**Facilities and Capital Assets**

Our procedures included a review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the capital reserve in the General Fund and awarding of contracts for eligible facilities construction projects.

The District maintained detail capital assets financial records.

**Testing for Lead of all Drinking Water in Educational Facilities**

The school district adhered to all 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.

**MIDLAND PARK BOARD OF EDUCATION  
FOOD SERVICE FUND  
SCHEDULE OF MEAL COUNT ACTIVITY  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**FOOD SERVICE FUND  
SCHEDULE OF NET CASH RESOURCES  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NET CASH RESOURCE SCHEDULE**

**Net cash resources did not exceed three months of expenditures  
Proprietary Funds - Food Service  
FYE 2021**

<u>Net Cash Resources:</u>										
<b>CAFR</b>	*	<b>Current Assets</b>								
B-4		Cash & Cash Equiv.	\$	35,030						
B-4		Due from Other Gov'ts		51,101						
B-4		Due from Other Funds		6,208						
B-4		Investments								
<b>CAFR</b>		<b>Current Liabilities</b>								
B-4		Less Accounts Payable		(5,248)						
B-4		Less Accruals		(3,538)						
B-4		Less Due to Other Funds								
B-4		Less Deferred Revenue		(13,268)						
		<b>Net Cash Resources</b>	<b>\$</b>	<b>70,285</b>						<b>(A)</b>

**Net Adj. Total Operating Expense:**

B-5		Tot. Operating Exp.		227,624						
B-5		Less Depreciation		(7,123)						
		<b>Adj. Tot. Oper. Exp.</b>	<b>\$</b>	<b>220,501</b>						<b>(B)</b>

**Average Monthly Operating Expense:**

		B / 10		<b>\$ 22,050</b>						<b>(C)</b>
--	--	--------	--	------------------	--	--	--	--	--	------------

**Three times monthly Average:**

		3 X C		<b>\$ 66,150</b>						<b>(D)</b>
--	--	-------	--	------------------	--	--	--	--	--	------------

TOTAL IN BOX A										
LESS TOTAL IN BOX D				70,285						
				66,150						
NET				<b>4,135</b>						
				<b>4,135</b>						
From above:										
<b>A is greater than D, net cash resources exceeds 3 X average monthly operating expenses.</b>										
<b>D is greater than A, net cash resources does not exceed 3 X average monthly operating expenses.</b>										

\* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

MIDLAND PARK BOARD OF EDUCATION  
 APPLICATION FOR STATE SCHOOL AID  
 ENROLLMENT AS OF OCTOBER 15, 2020  
 SCHEDULE OF AUDITED ENROLLMENTS

	2021-2022 Application for State School Aid						Sample for Verification				On Roll - Special Education			Private Schools for Disabled					
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Sample for Verifi- cation	Sample Verified	Sample Errors	Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared							
Half Day Preschool 3 Years Old	4		4		-	-	4		4		-	-							-
Half Day Preschool 4 Years Old	4		4		-	-	4		4		-	-							-
Full Day Preschool 3 Years Old																			-
Full Day Preschool 4 Years Old																			-
Half Day Kindergarten																			-
Full Day Kindergarten	67		67		-	-	67		67		-	-							-
Grade 1	52		52		-	-	52		52		-	-							-
Grade 2	67		67		-	-	67		67		-	-							-
Grade 3	56		56		-	-	56		56		-	-							-
Grade 4	51		51		-	-	51		51		-	-							-
Grade 5	54		54		-	-	54		54		-	-							-
Grade 6	48		48		-	-	48		48		-	-							-
Grade 7	62		62		-	-	62		62		-	-							-
Grade 8	47		47		-	-	47		47		-	-							-
Grade 9	38	2	38	2	-	-	38	2	38	2	-	-							-
Grade 10	36	1	36	1	-	-	36	1	36	1	-	-							-
Grade 11	57	1	57	1	-	-	57	1	57	1	-	-							-
Grade 12	65	1	65	1	-	-	65	-	65	-	-	-							-
Post- Graduate					-	-					-	-							-
Adult High School (15+ Credits)					-	-					-	-							-
Adult High School (1-14 Credits)					-	-					-	-							-
Subtotal	708	5	708	5	-	-	708	4	708	4	-	-	-	-	-	-	-	-	-
Sp Ed - Elementary	65		65		-	-	29		29		-	-	22	22	-	3	3	3	-
Sp Ed - Middle School	31		31		-	-	11		11		-	-	11	11	-	2	1	1	-
Sp Ed - High School	38		38		-	-	38		38		-	-	16	15	1	8	7	6	1
Subtotal	134	-	134	-	-	-	78	-	78	-	-	-	49	48	1	13	11	10	1
County Vocational - Regular					-	-					-	-							-
County Vocational - F.T. Post-Second					-	-					-	-							-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	842	5	842	5	-	-	786	4	786	4	-	-	49	48	1	13	11	10	1
Percentage Error					0.00%	0.00%					0.00%	0.00%			4.08%				7.69%

MIDLAND PARK BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2020  
SCHEDULE OF AUDITED ENROLLMENTS

	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on	Reported on	Errors	Sample Selected from Workpapers	Verified to Application	Sample Errors	Reported on	Reported on	Errors	Sample Selected	Verified to Test Score ind Registe	Errors
	A.S.S.A as Low Income	Workpapers as Low Income					ASSA as LEP low Income	Workpapers as LEP low Income				
Half Day Preschool 3 Years Old												
Half Day Preschool 4 Years Old												
Full Day Preschool 3 Years Old												
Full Day Preschool 4 Years Old												
Half Day Kindergarten												
Full Day Kindergarten		9	9	-	8	8	-	2	2	-	-	-
Grade 1		4	4	-	4	4	-	1	1	-	-	-
Grade 2		4	4	-	3	3	-	1	1	-	-	-
Grade 3		1	1	-	-	-	-	-	-	-	-	-
Grade 4		2	2	-	2	2	-	-	-	-	-	-
Grade 5		2	2	-	2	2	-	-	-	-	-	-
Grade 6		2	2	-	1	1	-	-	-	-	-	-
Grade 7		3	3	-	3	3	-	-	-	-	-	-
Grade 8		1	1	-	1	1	-	-	-	-	-	-
Grade 9		2	2	-	3	2	1	-	-	-	-	-
Grade 10		4	4	-	3	3	-	-	-	-	-	-
Grade 11		2	2	-	2	2	-	-	-	-	-	-
Grade 12		6	6	-	5	5	-	-	-	-	-	-
Post- Graduate												
Adult High School (15+ Credits)												
Adult High School (1-14 Credits)												
Subtotal		42	42	-	37	36	1	4	4	-	-	-
Sp Ed - Elementary		7	7	-	6	6	-	-	-	-	-	-
Sp Ed - Middle School		2	2	-	2	2	-	-	-	-	-	-
Sp Ed - High School		4	4	-	2	2	-	-	-	-	-	-
Subtotal		13	13	-	10	10	-	-	-	-	-	-
County Vocational - Regular												
County Vocational - F.T. Post-Second												
Subtotal		-	-	-	-	-	-	-	-	-	-	-
Totals		55	55	-	47	46	1	4	4	-	-	-
Percentage Error				0.00%			2.13%			0.00%		0.00%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	14	14	-	10	10	-
Transported - Non Public			-			-
Regular - Special Ed	6	6	-	5	5	-
Special Needs	36	36	-	27	27	-
	56	56	-	42	42	-
Percentage Error			0.00%			0.00%

MIDLAND PARK BOARD OF EDUCATION  
 APPLICATION FOR STATE SCHOOL AID  
 ENROLLMENT AS OF OCTOBER 15, 2020  
 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	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	2	2	-			-
Grade 1	1	1	-			-
Grade 2						
Grade 3						
Grade 4	3	3	-	3	3	-
Grade 5	1	1	-	1	1	-
Grade 6	2	2	-	2	2	-
Grade 7						
Grade 8	1	1	-	1	1	-
Grade 9						
Grade 10						
Grade 11	1	1	-	1	1	-
Grade 12						
Post- Graduate						
Adult High School (15+ Credits)						
Adult High School (1-14 Credits)						
Subtotal	11	11	-	8	8	-
Sp Ed - Elementary						
Sp Ed - Middle School						
Sp Ed - High School						
Subtotal	-	-	-	-	-	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal						
Totals	11	11	-	8	8	-
Percentage Error		0.00%			0.00%	

**MIDLAND PARK BOARD OF EDUCATION  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SECTION 1A - Two Percent (2%) - Calculation of Excess Surplus (Four percent 4% of maximum)**

2020-2021 Total General Fund Expenditures per the CAFR (Exhibit C-1)	\$ 26,103,350
Increased by:	
Transfer to Capital Projects	453,922
Decreased by:	
On-Behalf TPAF Pension & Social Security	4,042,408
Adjusted 2020-2021 General Fund Expenditures	<u>\$ 22,514,864</u>
2% of Adjusted 2020-2021 General Fund Expenditures	<u>\$ 450,297</u>
Enter Greater of 2% of Adjusted 2020-2021 General Fund Expenditures or \$250,000	\$ 450,297
Increased by: Allowable Adjustments	590,416
Maximum Unassigned Fund Balance	<u>\$ 1,040,713</u>

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2021 (Per CAFR Budgetary Comparison Schedule/Statement)	\$ 4,282,467
Capital Reserve	\$ 2,110,416
Capital Reserve - Designated for Subsequent Year's Budget (2021/22 Budget)	295,000
Adult Education Program	65,856
Adult Education Program - Designated for Subsequent Year's Budget	37,569
Excess Surplus - Designated for Subsequent Year's Budget	275,000
Unemployment Compensation	62,146
Assigned Fund Balance	
Year-End Encumbrances	<u>120,767</u>
	<u>2,966,754</u>
Total Unassigned Fund Balance	<u>\$ 1,315,713</u>

**SECTION 3**

Reserved Fund Balance - Excess Surplus	<u>\$ 275,000</u>
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**Recapitulation of Excess Surplus as of June 30, 2021**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 275,000
Reserved Excess Surplus	<u>275,000</u>
	<u>\$ 550,000</u>
<u>Detail of Allowable Adjustments</u>	
Extraordinary Aid (Unbudgeted)	<u>\$ 590,416</u>

## MIDLAND PARK BOARD OF EDUCATION

### RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

There are none.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Student Body Activities

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.

IX. Status of Prior Year Findings/Recommendations

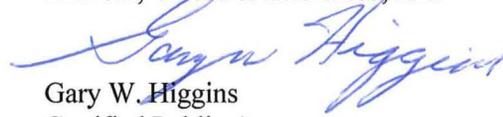
A review was performed on the prior years' recommendation and corrective action was taken.

**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



Gary W. Higgins  
Certified Public Accountant  
Public School Accountant