

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

**NEW MILFORD BOARD OF EDUCATION  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and  
Members of the Board of Education  
New Milford Board of Education  
New Milford, 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 New Milford 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 March 10, 2022.

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 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.

Respectfully submitted,

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

Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
March 10, 2022

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

**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 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 the Insurance Schedule (Exhibit J-20) included in the District's Comprehensive Annual Financial Report (CAFR).

Officials Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Stephanie Kuchar	School Business Administrator/ Board Secretary	\$300,000
Kelly Ippolito	Treasurer of School Monies	\$300,000

There is Public Employee Dishonesty coverage with Great American Insurance Company, with a limit of \$100,000 per employee and \$500,000 per loss.

Tuition Charges

The District's tuition contracts specify that tuition charges are not subject to annual tuition adjustment.

**Financial Planning, Accounting and Reporting**

Examination of Claims

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

- **Finding 2021-1** – Our audit revealed purchases were made and contracts were entered into prior to the approval and issuance of a purchase order (confirming order).

**Recommendation** – In all instances a properly executed purchase order be approved and issued prior to the ordering of goods or services to ensure confirming orders do not occur.

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 approved by the Superintendent and certified by the President of the Board and the Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies except as noted below, including health benefit withholdings due to other funds.

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

The School Business Administrator completed and filed the required Certificates of Compliance with federal and state law with respect to the reporting of compensation for certain employees.

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

**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 2021-2** – Our audit of year end open purchase orders in the General Fund revealed an invalid encumbrance for salaries and wages in the amount of \$237,804. An audit adjustment was made to cancel this purchase order accordingly. In addition, we noted several negative encumbrances totaling \$8,204 at year end.

**Recommendation** – Year end procedures be reviewed and revised to ensure open purchase orders are reviewed for validity.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6:A23-16.2(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 material transaction errors were noted and therefore, no additional procedures were deemed necessary to test the propriety of expenditure classification.

Travel

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

Board Secretary's Records

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

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

The prescribed contractual order system was followed.

- **Finding 2021-3** – We noted three budget line accounts were overexpended at June 30, 2021. The total amount overexpended was \$36,789. The overexpended amounts were offset with other available resources.

**Recommendation** – Internal control procedures be reviewed and revised to ensure transfers are approved prior to the incurring of expenditures in excess of available budget appropriations during the year.

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

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

Board Secretary's Records (Continued)

- **Finding 2021-4** - Our audit of the general ledger account balances of the enterprise funds revealed the financial activity of the Food Service enterprise fund is not being maintained in the District's financial accounting and reporting computer system.

**Recommendation** – The financial transactions of the Food Service enterprise fund be recorded and reported in the District's financial accounting and reporting system.

- **Finding 2021-5** – Our audit of the payroll agency account revealed the reconciled bank account balance is in a deficit or cash overdraft position of \$31,387 at June 30, 2021.

**Recommendation** – The cash overdraft balance in the payroll agency bank account be reviewed and cleared of record.

Treasurer's Records

The Treasurer did perform cash reconciliations for all District accounts. (N.J.S.A. 18A:17-36).

All cash receipts were promptly deposited.

The Treasurer's records were in agreement with the records of the Board Secretary.

The Treasurer's cash balances were in agreement with the reconciled cash balances as determined during the audit.

- **Finding 2021-6**– Several of the district's bank reconciliations contain numerous reconciling items including amounts transferred between District bank accounts. In addition, there are checks issued in prior fiscal years that remain outstanding as of June 30, 2021.

**Recommendation** – Reconciling items on the District's bank reconciliations be reviewed and cleared of record in a timely manner.

Unemployment Compensation Insurance Account

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Account. The financial transactions of this fund are reported in the General Fund.

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. The 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 of the E.S.E.A. 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.

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

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

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.

- **Finding 2021-7 (CAFR Finding 2021-001)** – Our audit of salaries charges to the IDEA Grant Program revealed the following:
  - Employees and their respective salaries charged to the program were not approved in the minutes until after year end. In addition the resolution did not indicate the grant funding percentage for the respective employees.
  - An instance was noted for an employee charged to the program who did not have a time and effort activity report on file.

**Recommendation** – Employees and their respective salaries charged to the IDEA grant program be approved by the Board prior to incurring salary expenditures and the resolution include the program’s grant funding percentages of the respective employees’ salary. In addition, all employees charged to the IDEA grant program be included on the time and effort activity reports.

Nonpublic State Aid

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

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 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.

T.P.A.F. Reimbursement

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.

**NEW MILFORD 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**

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3A 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 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. Our examination did reveal, however, that purchases were authorized to be made through the use of State contracts.

- **Finding 2021-8** – We noted a contract was awarded in excess of the bid threshold where there was no documentation provided to support publicly advertised bids were sought in accordance with the requirements of the Public School Contracts Law (N.J.S.A. 18A:18A). In addition, we noted contracts for services rendered in excess of the bid threshold that were not approved by Board resolution and made part of the official minutes in all instances in accordance with N.J.S.A. 18A:18A-4.

**Recommendation** – Greater care be exercised to ensure contract awards and purchases which exceed the bid threshold are procured in accordance with the requirements of the Public School Contracts Law.

The cash disbursement 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

**School Food Services**

**Public Health Emergency**

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency, all 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 eligible students during the period of school closures.



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

**School Food Services (Continued)**

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 throughout the ages 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 eligible students during the emergency.

The school food service program was not selected as a major federal or state program. However, the program expenditures exceeded \$100,000 in federal support. Accordingly, we inquired of school management as to whether the School Food Authority (the "SFA") had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired 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 management about the public health emergency procedures/practices that the SFA institute 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 cost 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 Program. 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 records of the school food services were maintained in satisfactory condition. The financial accounts and records were reviewed on a test-check basis.

Applications for free and reduced price meals were reviewed for completeness and accuracy as part of the audit of the Application of State School Aid (ASSA).

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.

U.S.D.A. commodities were received and a separate inventory was maintained on a first-in, first-out 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. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating result which guarantees that the Food Service will return a profit of \$19,000. The operating results provision has been met for the current school year. On April 20, 2020 the District approved entering into an emergency procurement contract with FSMC as a result of the COVID-19 school closures. The emergency agreement was necessary to facilitate the feeding of students as required by State directive.

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

**School Food Services (Continued)**

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditures records were maintained in order to substantiate the non-profit status of the school food service.

Our audit of food service operations revealed the net cash resources, including all respective assets less any associated liabilities at June 30, 2021 exceeded three months average expenditures, however due to the public health emergency the District was unable to take appropriate action to reduce net cash resources during the current school year.

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

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds.

**Other Enterprise Funds**

**Latch Key Programs, Broadway Kids Summer, After School Enrichment Program and Summer Music Program**

The District provides a before and after school child care program, a summer enrichment program and an after school enrichment program for district students. The accounting records maintained for the programs were in satisfactory condition.

**Student Activity Funds**

The Board has a policy which clearly established the regulation of student activity funds. Limited activity was noted in the current year in the elementary school account.

Cash receipts and disbursement records 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 education. 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 immaterial exceptions noted. The information that was included on the workpapers was verified with immaterial exceptions. 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 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 information on the DRTRS was compared to the district workpapers without exception noted. 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.

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

**Facilities and Capital Assets**

The District had no active State School Development Authority (SDA) grant projects during the year.

**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.

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

**NOT APPLICABLE**

**NEW MILFORD BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
CALCULATION OF NET CASH RESOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Current Assets**

Cash and Cash Equivalents	\$	188,956
Due from Other Governments		68,366
Accounts Receivable		1,861
Due from Other Funds		40,962

**Current Liabilities**

Accounts Payable		(22,869)
Unearned Revenue		(30,598)

<b>Net Cash Resources</b>	<b>\$</b>	<b>246,678</b>
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**Adjusted Total Operating Expense:**

Total Operating Expenses	\$	222,204
Less Depreciation		(24,224)

Adjusted Total Operating Expense	\$	197,980
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<b><u>Average Monthly Operating Expense:</u></b>	<b>\$</b>	<b>19,798</b>
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<b><u>Three Times Monthly Average:</u></b>	<b>\$</b>	<b>59,394</b>
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Total Net Cash Resources	\$	246,678
Three Times Monthly Average		59,394

Excess(Deficit) Cash Resources	\$	187,284
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Net Cash Resources do exceed three month average expenditures.

NEW MILFORD 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						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		Reported on A.S.S.A. as Private Schools	Sample for Veri- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool 3 Years Old					-	-			-	-	-	-					-
Half Day Preschool 4 Years Old					-	-			-	-	-	-					-
Full Day Preschool 3 Years Old	1		1		-	-	1		1		-	-					-
Full Day Preschool 4 Years Old	6		6		-	-	3		3		-	-					-
Half Day Kindergarten					-	-					-	-					-
Full Day Kindergarten	141		141		-	-	63		63		-	-					-
Grade 1	143		143		-	-	75		75		-	-					-
Grade 2	162		162		-	-	84		84		-	-					-
Grade 3	121		121		-	-	66		66		-	-					-
Grade 4	118		118		-	-	55		55		-	-					-
Grade 5	118		118		-	-	58		58		-	-					-
Grade 6	126		126		-	-	126		126		-	-					-
Grade 7	118		118		-	-	118		118		-	-					-
Grade 8	133		133		-	-	133		133		-	-					-
Grade 9	109		109		-	-	109		109		-	-					-
Grade 10	119		119		-	-	119		119		-	-					-
Grade 11	134	1	134	1	-	-	134	1	134	1	-	-					-
Grade 12	106		106		-	-	106		106		-	-					-
Post- Graduate					-	-					-	-					-
Adult High School (15+ Credits)					-	-					-	-					-
Adult High School (1-14 Credits)					-	-					-	-					-
Subtotal	1,655	1	1,655	1	-	-	1,250	1	1,250	1	-	-	-	-	-	-	-
Sp Ed - Elementary	147		147	-	-	-	25		25		-	-	3	3	3		-
Sp Ed - Middle School	90		84	-	6	-	16		16		-	-	2	2	1		1
Sp Ed - High School	109	4	111	4	(2)	-	19		19		-	-	6	6	5		1
Subtotal	346	4	342	4	4	-	60	-	60	-	-	-	11	11	9		2
County Vocational - Regular					-	-					-	-					
County Vocational - F. T. Post-Second					-	-					-	-					
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	2,001	5	1,997	5	4	-	1,310	1	1,310	1	-	-	11	11	9		2
Percentage Error					0.20%	0.00%					0.00%	0.00%					18.18%

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

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Sample Verified	Sample Errors	Reported ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Verified to Sample and Test Score and Register	Errors	
	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	-	2	2	-	2	2	-	2	2	
Grade 1	8	8	-	2	2	-	1	1	-	1	1	
Grade 2	17	17	-	4	4	-			-			
Grade 3	18	18	-	4	4	-			-			
Grade 4	17	17	-	4	4	-	2	2	-	2	2	
Grade 5	20	20	-	5	5	-	1	1	-	1	1	
Grade 6	19	19	-	4	4	-			-			
Grade 7	15	15	-	4	4	-			-			
Grade 8	18	18	-	4	4	-			-			
Grade 9	15	15	-	4	4	-			-			
Grade 10	19	19	-	4	3	1			-			
Grade 11	17	17	-	4	4	-			-			
Grade 12	20	20	-	5	5	-			-			
Post- Graduate			-			-			-			
Adult High School (15+ Credits)			-			-			-			
Adult High School (1-14 Credits)			-			-			-			
Subtotal	212	212	-	50	49	1	6	6	-	6	6	
Sp Ed - Elementary	13	8	5	2	2	-			-			
Sp Ed - Middle School	11	7	4	1	1	-			-			
Sp Ed - High School	11	7	4	2	2	-			-			
Subtotal	35	22	13	5	5	-	-	-	-	-	-	
County Vocational - Regular			-			-			-			
County Vocational - F.T. Post-Second			-			-			-			
Subtotal	-	-	-	-	-	-			-			
Totals	247	234	13	55	54	1	6	6	-	6	6	
Percentage Error			5.26%			1.82%			0.00%		0.00%	

	Transportation					
	Reported on DRTRS by DOE / County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	51	51	-	15	15	-
Regular - Special Ed	96	96	-			-
Transported Non-Public	-	-	-	5	5	-
Special Ed Spec	17	17	-			-
	164	164	-	20	20	-
Percentage Error			-			0%

**NEW MILFORD 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	8	8	-	6	6	-
Grade 1	7	7	-	5	5	-
Grade 2	9	9	-	7	7	-
Grade 3	11	11	-	8	8	-
Grade 4	4	4	-	3	3	-
Grade 5	1	1	-	1	1	-
Grade 6	2	2	-	1	1	-
Grade 7	1	1	-	1	1	-
Grade 8	2	2	-	2	2	-
Grade 9	2	2	-	2	2	-
Grade 10	1	1	-	1	1	-
Grade 11	2	2	-	1	1	-
Grade 12	2	2	-	1	1	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
<b>Subtotal</b>	<b>52</b>	<b>52</b>	<b>-</b>	<b>39</b>	<b>39</b>	<b>-</b>
Sp Ed - Elementary	1	1	-	1	1	-
Sp Ed - Middle School			-			-
Sp Ed - High School			-			-
<b>Subtotal</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>
County Vocational - Regular						
County Vocational - F.T. Post-Second						
<b>Subtotal</b>						
<b>Totals</b>	<b>53</b>	<b>53</b>	<b>-</b>	<b>40</b>	<b>40</b>	<b>-</b>
Percentage Error		<u>-</u>				<u>-</u>



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

**SECTION 1 - Four Percent (4%) - Calculation of Excess Surplus**

2020-2021 Total General Fund Expenditures (Budgetary Basis) Per Schedule C-1 of the CAFR	\$ 44,351,266
Increased by:	
Transfers to Special Revenue Fund	49,485
Decreased by:	
Assets Acquired Under Capital Leases	(111,392)
On-Behalf TPAF Pension & Social Security	<u>(6,560,828)</u>
Adjusted 2020-2021 General Fund Expenditures	<u>\$ 37,728,531</u>
4% of Adjusted 2020-2021 General Fund Expenditures	<u>\$ 1,509,141</u>
Enter Greater of 4% of Adjusted 2020-2021 General Fund Expenditures or \$250,000	\$ 1,509,141
Increased by Allowable Adjustments*	<u>437,763</u>
Maximum Unassigned Fund Balance	<u>\$ 1,946,904</u>

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2021 (Per CAFR Budgetary Comparison Schedule/Statement)	\$ 8,738,721
Decreased by:	
Restricted	
Capital Reserve	1,715,569
Maintenance Reserve	640,864
Emergency Reserve	400,324
Unemployment Compensation Reserve	74,701
Excess Surplus - Designated for Subsequent Year's Expenditures	2,090,115
Assigned	
Designated for Subsequent Year's Expenditures	32,872
Year-End Encumbrances	<u>269,528</u>
Total Unassigned Fund Balance	<u>\$ 3,514,748</u>

**SECTION 3**

Restricted Fund Balance - Excess Surplus	<u>\$ 1,567,844</u>
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**Recapitulation of Excess Surplus**

Excess Surplus	\$ 1,567,844
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>2,090,115</u>
	<u>\$ 3,657,959</u>

**\* Detail of Allowable Adjustment**

Extraordinary Aid (Unbudgeted Portion)	\$ 367,293
Nonpublic School Transportation (Unbudgeted)	<u>70,470</u>
	<u>\$ 437,763</u>

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

**RECOMMENDATIONS**

**I. Administration Practices and Procedures**

There are none.

**II. Financial Planning, Accounting and Reporting**

It is recommended that:

1. In all instances a properly executed purchase order be approved and issued prior to the ordering of goods or services to ensure confirming orders do not occur.
2. Year end procedures be reviewed and revised to ensure open purchase orders are reviewed for validity.
3. Internal control procedures be reviewed and revised to ensure transfers are approved prior to the incurring of expenditures in excess of available budget appropriations during the year.
- \* 4. The financial transactions of the Food Service Enterprise Fund be recorded and reported in the District's financial accounting and reporting system.
- \* 5. The cash overdraft balance in the payroll agency bank account be reviewed and cleared of record.
- \* 6. Reconciling items on the District's bank reconciliations be reviewed and cleared of record in a timely manner.
7. Employees and their respective salaries charged to the IDEA grant program be approved by the Board prior to incurring salary expenditures and the resolution include the program's grant funding percentages of the respective employees' salary. In addition, all employees charged to the IDEA grant program be included on the time and effort activity reports.

**III. School Purchasing Program**

- \* 8. It is recommended that greater care be exercised to ensure all contract awards and purchases which exceed the bid threshold are procured in accordance with the requirements of the Public School Contracts Law.

**IV. School Food Services**

There are none.

**V. Latch Key/Broadway Kids Summer/After School Enrichment Programs/Summer Music Programs**

There are none.

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

**RECOMMENDATIONS**  
**(Continued)**

**VI. Student Body Activities**

There are none.

**VII. Application for State School Aid**

There are none.

**VIII. Pupil Transportation**

There are none.

**IX. Facilities and Capital Assets**

There are none.

**X. Miscellaneous**

There are none.

**XI. Status of Prior Year's Audit Findings/Recommendations**

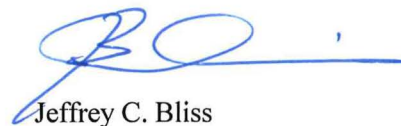
A review was performed on all prior year recommendations. Correction action was taken on all prior year recommendations except the items denoted with an asterisk (\*).

**ACKNOWLEDGEMENT**

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

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Jeffrey C. Bliss  
Public School Accountant  
Certified Public Accountant