

**RIVER EDGE BOARD OF EDUCATION  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2021**

**RIVER EDGE 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 Trustees  
Board of Education  
River Edge, 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 River Edge Board of Education as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated March 5, 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 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.

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

Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
March 5, 2022

**RIVER EDGE 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, 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**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Louise Anne Napolitano	Board Secretary/Business Administrator	\$ 200,000
Antoinette Kelly	Treasurer of School Monies	250,000

There is Employee Theft coverage for all other employees in the amount of \$500,000 per loss.

**Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were greater than estimated costs. The board made a proper adjustment to the billings to sending districts for the 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 indicate any discrepancies with respect to signatures, certification or supporting documentation.

**Payroll Account**

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

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 due to general fund.

The required certification (E-CERT1) of compliance with requirements of income tax compensation of administrators (Superintendent and Business Administrator) to the New Jersey Department of Treasury was filed by the March 15, 2021 due date.

Payrolls were delivered to the Treasurer of School Monies with a warrant made to her order for the full amount of each payroll.

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

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

Employee Position Control Roster

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

Unemployment Compensation Financial Activities

The Board has adopted the direct reimbursement method. The financial transactions related to unemployment compensation are reported in the General Fund.

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. No exceptions were noted.

Travel

The District has 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 travel 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:23-2.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23-8.2. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classifications.

Board Secretary's Records

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

The Board Secretary's and Treasurer's 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).

The prescribed contractual order system was followed.

Treasurer's Records

The Treasurer did perform cash reconciliations for the general operating account, payroll account and payroll agency account (N.J.S.A. 18A:17-36).

Cash receipts tested were promptly deposited.

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

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

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

The E.S.E.A. financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Titles I, IIA, III and IV of the Elementary and Secondary Education Act as amended.

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.

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.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 and 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. 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

None

Non Public State Aid

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

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2015 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-3 (as amended) and 18A:39-3 are \$44,000 and \$32,000, respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,600.

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, c. 198 (c.40A:11-9), the board of education may establish that the bid threshold may be up to \$44,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. The District's business administrator is qualified and the Board has designated the business administrator as the qualified purchasing agent with a bid threshold of \$44,000.

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

**School Purchasing Programs (Continued)**

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

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 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.

The results of our examination indicated that no individual payments, contracts, or agreements was made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision 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 purchased items through the use of State contracts.

**School Food Service**

The School Food Service Program was inactive in the 2020/21 fiscal year due to COVID-19.

**Summer Enrichment Program**

The District maintains a separate bank account for the program. Cash receipts were recorded on electronic worksheets. There were no cash disbursements during 2020/21 due to COVID-19.

**Student Body Activities**

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

All receipts were promptly deposited.

Cash disbursements were supported by proper documentation.

**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 disabled, low-income and bilingual. 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. 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 forms or their equivalent.

The district has adequate written procedures for the recording of student enrollment data.

**RIVER EDGE 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 2020-2021 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary without exception.

The results of our procedures are presented in the Schedule of Audited Enrollments.

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

**Facilities and Capital Assets**

The District had no SDA grant projects during the year.

Capital assets records were maintained by a third party provider.

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



**RIVER EDGE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
SCHEDULE OF MEAL COUNT ACTIVITY  
FOOD SERVICE FUND**

**NOT APPLICABLE**

**SCHEDULE OF NET CASH RESOURCES  
FOOD SERVICE FUND**

**NOT APPLICABLE**



**SCHEDULE OF AUDITED ENROLLMENTS**

**RIVER EDGE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2020**

	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	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	3	3	-	2	2	-	2	3	(1)	3	3	-
Full Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
One	1	1	-	1	1	-	1	1	-	1	1	-
Two	1	1	-	1	1	-	1	1	-	1	1	-
Three	1	1	-	1	1	-	1	1	-	1	1	-
Four	1	1	-	1	1	-	-	-	-	-	-	-
Five	2	2	-	1	1	-	-	-	-	-	-	-
Six	-	-	-	-	-	-	-	-	-	-	-	-
Seven	-	-	-	-	-	-	-	-	-	-	-	-
Eight	-	-	-	-	-	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	8	8	-	6	6	-	4	5	(1)	5	5	-
Special Ed - Elementary	2	2	-	2	2	-	1	1	-	1	1	-
Special Ed - Middle	1	1	-	1	1	-	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	3	3	-	3	3	-	1	1	-	1	1	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	11	11	-	9	9	-	5	6	(1)	6	6	-
Percentage Error			0.00%			0.00%			-20.00%			0.00%

**Transportation**

Reported on DRTS by DOE/county	Reported on DRTS by District	Transportation	
		Tested	Verified
-	-	-	-
20	20	20	20
1	1	1	1
Totals	21	21	21
Percentage Error			0.00%

Reg - Public Schools, col. 1  
Reg - SPS/EA, col. 4  
Transported - Non-Public, col. 3  
Special Ed Spec, col. 6  
Totals

RIVER EDGE BOARD OF EDUCATION

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

	Reported on A.S.A. as NOT Low Income	Resident LEP 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	15	18	(3)	15	15	-
One	10	10	-	8	8	-
Two	17	17	-	14	14	-
Three	8	8	-	6	6	-
Four	4	4	-	3	3	-
Five	-	-	-	-	-	-
Six	1	1	-	1	1	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Nine	-	-	-	-	-	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	<u>55</u>	<u>58</u>	<u>(3)</u>	<u>47</u>	<u>47</u>	<u>-</u>
Special Ed - Elementary	3	3	-	2	2	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>3</u>	<u>3</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.	<u>58</u>	<u>61</u>	<u>(3)</u>	<u>49</u>	<u>49</u>	<u>-</u>
Totals						
Percentage Error			<u>-5.17%</u>			<u>0.00%</u>

**RIVER EDGE 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	\$ 22,102,221
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(3,665,763)</u>
Adjusted 2020-2021 General Fund Expenditures	<u>\$ 18,436,458</u>
4% of Adjusted 2020-2021 General Fund Expenditures	<u>\$ 737,458</u>
Enter Greater of 4% of Adjusted 2020-2021 General Fund Expenditures or \$250,000	\$ 737,458
Increased by Allowable Adjustments*	<u>516,489</u>
Maximum Unassigned Fund Balance	<u>\$ 1,253,947</u>

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2021 (Per CAFR Budgetary Comparison Schedule/Statement)	\$ 5,007,058
Decreased by:	
Restricted	
Capital Reserve	1,896,533
Capital Reserve - Designated for Subsequent Year's Expenditures	390,000
Maintenance Reserve	231,278
Unemployment Compensation	178,255
Excess Surplus - Designated for Subsequent Year's Expenditures	500,000
Unassigned	
Year-End Encumbrances	<u>57,045</u>
Total Unassigned Fund Balance	<u>\$ 1,753,947</u>

**SECTION 3**

Restricted Fund Balance - Excess Surplus	<u>\$ 500,000</u>
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**Recapitulation of Excess Surplus**

Excess Surplus	\$ 500,000
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>500,000</u>
	<u>\$ 1,000,000</u>

**\* Detail of Allowable Adjustment**

Extraordinary Aid (Unbudgeted Portion)	\$ 511,559
Nonpublic Transportation Aid Reimbursement (Unbudgeted)	<u>4,930</u>
Total Adjustments	<u>\$ 516,489</u>

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

**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 Service**

There are none.

**V. Summer Enrichment Program**

There are none.

**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 Years' Audit Findings/Recommendations**

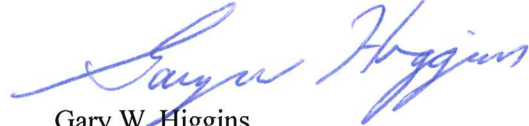
There were no prior year recommendations.

**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  
Public School Accountant  
Certified Public Accountant