

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
SCHOOL DISTRICT OF THE  
TOWNSHIP OF TEANECK  
COUNTY OF BERGEN, NEW JERSEY  
JUNE 30, 2021**

**SCHOOL DISTRICT OF THE TOWNSHIP OF TEANECK**  
**COUNTY OF BERGEN, NEW JERSEY**

**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS**  
**- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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## REPORT OF INDEPENDENT AUDITORS

Honorable President and  
Members of the Board of Education  
Teaneck School District  
County of Bergen, 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 Board of Education of the Teaneck School District in the County of Bergen for the year ended June 30, 2021, and have issued our report thereon dated March 14, 2022.

As part of our audit, we performed procedures required by the New Jersey Department of Education, 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 of the Teaneck Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

*Steven D. Wielkocz*

Steven D. Wielkocz, C.P.A.  
Licensed Public School Accountant  
No. 816

*Wielkocz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

March 14, 2022



**ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING**

**GENERAL COMMENTS**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the 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 Exhibit J-20, Insurance Schedule contained in the District's CAFR.

Officials Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Melissa Simmons	Business Administrator/Board Secretary	\$280,000
Anthony Bianchi	Treasurer of School Monies	\$425,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$100,000 per employee and \$500,000 per loss.

Tuition Charges

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

## **Financial Planning, Accounting and Reporting, (continued)**

### **Payroll Account and Position Control Roster**

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 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 premium amounts withholding due to the General Fund.

**Finding 2021-001:** During the implementation of Chapter 44 there were health benefit deductions that were incorrectly calculated.

**Recommendation:** The district should review all information input into the system for health benefit contribution calculations to ensure that calculations are in accordance with N.J.S.A. 18A:16-17.1.

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

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents, and business administrator) to the NJ Department of Treasury was filed by the March 15 due date.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

The Board of Education made a merit bonus payment that a quantitative merit criterion or a qualitative merit criterion had been satisfied with prior approval by the District Board of Education and Executive County Superintendent, as required by N.J.A.C. 6A:23A-3.1(e)10.iv.

### **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.

## **Financial Planning, Accounting and Reporting, (continued)**

### **Reserve for Encumbrances, Liability for 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.

### **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 to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of 0.09% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**Finding 2021-002:** Expenditures in the following categories were not charged to the appropriate line item account in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools: Required Maintenance

**Recommendation:** The District should reference the Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2021 Edition and other available reference materials, such as the Budget Guidelines for the proper classification required to be in compliance with N.J.A.C. 6A:23-2.3(f).

### **Board Secretary's Records**

Our overview of the financial and accounting records maintained by the Board Secretary disclosed no items.

### **Fixed Assets**

The capital asset records were updated for the additions and disposals of capital assets made during the year.

### **Treasurer's Records**

The following items were noted during our review of the records of the Treasurer:

**Finding 2021-03:** The Treasurer did not perform cash reconciliations for the warrant account, payroll account, payroll agency account, flexible spending account, capital projects accounts, food service account or community school account for the month of June 2021.

**Recommendation:** Each month, the Treasurer should determine cash balances by performing cash reconciliations in accordance with N.J.S.A. 18A:17-9 for all accounts.

## **Financial Planning, Accounting and Reporting, (continued)**

### **Treasurer's Records, (continued)**

**Finding 2021-04:** The food service account has a negative reconciled cash balance during the audit for the month of June 2021 in the amount of \$2,479,768 resulting from subsidy reimbursements not being submitted and/or received prior to year-end and the payment of June expenses.

**Recommendation:** More care should be taken to ensure sufficient funds are available prior to the disbursement of funds.

### **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. This section of the CAFR documents the financial position pertaining to the projects under Titles I, II, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated no areas of noncompliance and/or questionable costs.

### **Other Special Federal and/or State Projects**

The District's Special Projects were approved as listed on Schedule K-3 and Schedule K-4 located in the CAFR.

Our audit 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 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.

The study of compliance for the special projects indicated the following areas of noncompliance:

**Finding 2021-05 (CAFR Finding 2021-003):** There were instances in which information entered into the individual student applications did not agree to the school district prepared Extraordinary Aid (EXAID) work papers.

**Recommendation:** The District should review the individual student on-line forms prior to the final submission of the EXAID application to ensure the forms are complete and the information agrees to the work papers prepared.

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

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

## **Financial Planning, Accounting and Reporting, (continued)**

### **T.P.A.F. 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 Department by the due date.

**Finding 2021-06:** The Nonpublic School Project Completion Report did not agree to current year budget expenditures.

**Recommendation:** The amounts recorded on the Nonpublic School Completion Report should be reconciled to the current year budget expenditures prior to submission of the report.

### **School Purchasing Programs**

#### **Contracts and Agreements Requiring Advertisement for Bids**

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term 'competitive contracting', which is defined as "the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received." Also, subsection (aa) defines the term 'concession' to exclude vending machines.

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a "Qualified Purchasing Agent" (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. "In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted."



## **School Purchasing Programs, (continued)**

### **Contracts and Agreements Requiring Advertisement for Bids, (continued)**

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-2 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 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 Solicitor's opinion should be sought before a commitment is made.

The results of our examination indicated that no individual payments, contracts or agreements were made for the performance of any work, goods or services 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 contract or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

### **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 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 (SFAs) were require 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 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 students during the emergency.

## **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 Program. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements.

The FSMC did not apply for an receive a loan in accordance with the Payroll Protection Plan and did not use the funds to pay for costs applicable to the Food Service Programs. The PPP loan was not subsequently forgiven and the FSMC did not refund or credit the applicable amounts to the SFA.

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. During our review of meals claimed, the following exceptions were noted:

**Finding 2021-07 (CAFR Finding 2021-001):** Meals claimed on the subsidy reimbursement submissions did not agree with meal count records resulting in an over/under claim, as detailed on the Schedule of Meal Count Activity.

**Recommendation:** Prior to submitting reimbursement claims to the New Jersey Department of Agriculture, the meals claimed should be verified to the meal count activity records.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications times the number of operating days, on a school by school basis. The free and reduced price meal was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications was completed and available for review.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A.* 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$100,000. The operating results provision has been met. All vendor discounts, rebates and credits from the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

### **School Food Service, (continued)**

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. Net cash resources did not exceed three months average expenditures.

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

U.S.D.A. Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The school district maintains the detailed revenue and expenditure information necessary in order to executive the U.S.D.A. mandated Non-Program Food Revenue Tool at least annually.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G of the CAFR.

### **Student Body Activities**

A cash receipts and disbursements record is maintained in satisfactory condition.

Cash disbursements had proper signatures and supporting 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 handicapped, bi-lingual and low-income. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers 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 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 results of our procedures are presented in the Schedule of Audited Enrollments.

**Pupil Transportation, (continued)**

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.

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

**Suggestions to Management:**

- That all local projects be included in the Special Revenue Budget and subsidiary ledgers.
- That procedures be put in place to address remote work filing.
- When there are balances due back to grantor agencies they should be returned promptly.
- Fixed Assets reports received from a third party vendor should be reviewed for accuracy before accepting the report.

**Follow-up on Prior Year Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings, with the exception of the comments preceded with an “\*”.

**Acknowledgment**

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,

*Steven D. Wielkocz*

Steven D. Wielkocz, C.P.A.  
Public School Accountant

*Wielkocz + Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

SCHEDULE OF AUDITED ENROLLMENTS

TOWNSHIP OF TEANECK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2020

Year Ended June 30, 2021

Enrollment Category	2020-2021 Application for State School Aid										Sample for Verification				Private Schools for Disabled				
	Reported on ASSA On Roll		Workpapers		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on ASSA as Private Schools		Sample for Verification		Sample Verified		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Half Day Preschool	174		174				174		174										
Full Day Preschool																			
Half Day Kindergarten	151		151				151		151										
One	176		176				176		176										
Two	192		192				192		192										
Three	196		196				196		196										
Four	184		184				184		184										
Five	180		180				180		180										
Six	198		198				198		198										
Seven	205		205				205		205										
Eight	221		221				221		221										
Nine	224		224				224		224										
Ten	233	3	233	3			233	3	233	3									
Eleven	233	1	233	1			233	1	233	1									
Twelve	233		233				233		233										
<b>Subtotal</b>	<b>2,800</b>	<b>4</b>	<b>2,800</b>	<b>4</b>			<b>2,800</b>	<b>4</b>	<b>2,800</b>	<b>4</b>									
Special Ed. Elementary	328		328				92		92								16		14
Special Ed. Middle	190		190				53		53								20		11
Special Ed. High School	281	2	281	2			87		87								42		34
<b>Subtotal</b>	<b>799</b>	<b>2</b>	<b>799</b>	<b>2</b>			<b>232</b>		<b>232</b>								<b>78</b>		<b>59</b>
<b>Totals</b>	<b>3,599</b>	<b>6</b>	<b>3,599</b>	<b>6</b>			<b>3,032</b>	<b>4</b>	<b>3,032</b>	<b>4</b>							<b>78</b>		<b>59</b>
Percentage Error																			

**SCHEDULE OF AUDITED ENROLLMENTS**

**TOWNSHIP OF TEANECK  
BOARD OF EDUCATION**

**Application for State School Aid Summary  
Enrollment as of October 15, 2020**

Year ended June 30, 2021

Enrollment category	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	Sample selected from workpapers	Verified to Application and Register	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers LEP low Income	Sample Selected from Workpapers	Verified to Test score and Register
Half Day Preschool								
Full Day Preschool								
Half Day Kindergarten								
Full Day Kindergarten								
One	49	49	21	21	4	4	3	3
Two	80	80	21	21	7	7	6	6
Three	81	81	19	19	7	7	5	5
Four	85	85	14	14	8	8	7	7
Five	86	86	18	18	8	8	6	6
Six	81	81	12	12				
Seven	75	75	13	13	2	2	1	1
Eight	77	77	15	15	2	2	2	2
Nine	86	86	15	15	3	3	2	2
Ten	73	73	15	15	3	3	2	2
Eleven	91	91	19	19	1	1	1	1
Twelve	67	67	18	18	5	5	3	3
Special Ed. Elementary	77	77	18	18	4	4	3	3
Special Ed. Middle School	149	149	16	16	1	1	1	1
Special Ed. High School	98	98	15	15				
	104	104	15	15				
	1359	1359	264	264	55	55	42	42

**Percentage**

Category	Transportation				Re-calc.
	Reported on DTRS by DOE/county	Reported on DTRS by District	Tested	Verified	
Regular - Public Schools, col. 1	409	409	197	197	4.3
Transported- Non-Public	2137	2137	284	284	4.3
Regular - Special Education, col. 4	88	88	67	67	4.6
Special needs, col. 6	334	334	160	160	
<b>Totals</b>	2968	2968	708	708	

**Percentage**

**TOWNSHIP OF TEANECK  
BOARD OF EDUCATION**

**SCHEDULE OF AUDITED ENROLLMENTS**

Application for State School Aid Summary  
Enrollment as of October 15, 2020

Year ended June 30, 2021

Enrollment category	Resident LEP Not Low Income			Sample for Verification		
	Reported on A.S.A as LEP Not low Income	Reported on Workpapers LEP Not 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	6	6		4	4	4
One	8	8		4	4	4
Two	6	6		4	4	4
Three	7	7		5	5	5
Four	5	5		4	4	4
Five	3	3		2	2	2
Six	3	3		3	3	3
Seven	4	4		3	3	3
Eight	4	4		4	4	4
Nine	5	5		4	4	4
Ten	2	2		3	3	3
Eleven	4	4		2	2	2
Twelve	4	4		4	4	4
Special Ed. Elementary	1	1		1	1	1
Special Ed. Middle School						
Special Ed. High School						
	<u>62</u>	<u>62</u>		<u>47</u>	<u>47</u>	
	<u>62</u>	<u>62</u>		<u>47</u>	<u>47</u>	

**Percentage**

**SCHEDULE OF MEAL COUNT ACTIVITY**

**TOWNSHIP OF TEANECK SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIMED - FEDERAL  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
National School Lunch (Regular Rate)	Paid					0.330	\$
National School Lunch (Regular Rate)	Reduced					3.110	
National School Lunch (Regular Rate)	Free					3.510	
National School Lunch (Regular Rate)	SSO	<u>1,916,259</u>	<u>1,916,259</u>	<u>1,913,442</u>	<u>(2,817)</u>	3.510	<u>(9,888)</u>
	Total	<u>1,916,259</u>	<u>1,916,259</u>	<u>1,913,442</u>	<u>(2,817)</u>		<u>(9,888)</u>
National School Lunch (Regular Rate)	HHFKA	<u>1,916,259</u>	<u>1,916,259</u>	<u>1,913,442</u>	<u>(2,817)</u>	0.070	<u>(197)</u>
School Breakfast (Regular Rate)	Paid					0.32	
	Reduced					1.59	
	Free					1.89	
	SSO	<u>1,794,779</u>	<u>1,794,779</u>	<u>1,794,779</u>	<u>                  </u>	1.89	<u>                  </u>
	Total	<u>1,794,779</u>	<u>1,794,779</u>	<u>1,794,779</u>	<u>                  </u>		<u>                  </u>
School Breakfast (Severe Needs Rate)	Paid					0.32	
	Reduced					1.96	
	Free					2.26	
	SSO	<u>117,410</u>	<u>117,410</u>	<u>119,284</u>	<u>1,874</u>	2.26	<u>4,235</u>
	Total	<u>117,410</u>	<u>117,410</u>	<u>119,284</u>	<u>1,874</u>		<u>4,235</u>
Total (Over)/Under Claim							\$ <u><u>(5,850)</u></u>



**SCHEDULE OF MEAL COUNT ACTIVITY**

**TOWNSHIP OF TEANECK SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIMED - STATE  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>	
State Reimbursement - National School Lunch (Regular Rate)	Paid					0.050	\$	
State Reimbursement - National School Lunch (Regular Rate)	Reduced					0.055		
State Reimbursement - National School Lunch (Regular Rate)	Free					0.055		
State Reimbursement - National School Lunch (Regular Rate)	SSO	35,877	35,877	34,003	(1,874)	0.055	(103)	
State Reimbursement - National School Lunch (Regular Rate)	SSO	<u>1,880,382</u>	<u>1,880,382</u>	<u>1,879,439</u>	<u>(943)</u>	0.255	<u>(240)</u>	
	Total	<u>1,916,259</u>	<u>1,916,259</u>	<u>1,913,442</u>	<u>(2,817)</u>		<u>(344)</u>	
Total (Over)/Under Claim							\$	<u><u>(344)</u></u>

**TOWNSHIP OF TEANECK  
BOARD OF EDUCATION**

**Net cash resources did not exceed three months of expenditures  
Proprietary Funds - Food Service  
Year ended June 30, 2021**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	
B-4		Due from Other Gov'ts	3,195,718
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Deficit in Cash	(2,203,078)
B-4		Less Accounts Payable	(6,850)
B-4		Less Deferred Revenue	(39,906)
		<b>Net Cash Resources</b>	<b>\$ 945,884 (A)</b>

**Net Adj. Total Operating Expense:**

B-5	Tot. Operating Exp.	10,503,253	
B-5	Less Depreciation	(31,725)	
	Adj. Tot. Oper. Exp.	<b>\$ 10,471,528</b>	<b>(B)</b>

**Average Monthly Operating Expense:**

	B / 10	<b>\$ 1,047,153</b>	<b>(C)</b>
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**Three Times Monthly Average:**

	3 X C	<b>\$ 3,141,458</b>	<b>(D)</b>
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TOTAL IN BOX A	\$	945,884.00			
LESS TOTAL IN BOX D	\$	3,141,458.40			
NET	\$	<b>(2,195,574.40)</b>			

From above:

**A is greater than D, cash exceeds 3 X average monthly operating expenses.  
D is greater than A, cash does not exceed 3 X average monthly operating expenses.**

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

SOURCE - USDA resource management comprehensive review form

**TEANECK BOARD OF EDUCATION**  
**EXCESS SURPLUS CALCULATION**

**REGULAR DISTRICT**

**SECTION 1**

**A. 4% Calculation of Excess Surplus**

2020-21 Total General Fund Expenditures per the CAFR, Ex. C-1	\$	<u>115,887,233</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	<u>                    </u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	<u>                    </u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$	<u>                    </u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$	<u>                    </u>	(B1d)
Decreased by:			
On-Behalf TPAF Pension & Social Security	\$	<u>15,959,216</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u>2,270,594</u>	(B2b)
Adjusted 20-21 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$	<u>97,657,423</u>	(B3)
4% of Adjusted 2020-21 General Fund Expenditures [(B3) times .04]	\$	<u>3,906,297</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>3,906,297</u>	(B5)
Increased by: Allowable Adjustment *	\$	<u>542,159</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$	<u>4,448,456</u>	(M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-21 (Per CAFR Budgetary Comparison Schedule C-1))	\$	<u>19,448,298</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>3,897,159</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	<u>                    </u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>1,746,897</u>	(C3)
Other Restricted Fund Balances****	\$	<u>7,137,714</u>	(C4)
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	\$	<u>510,416</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$	<u>6,156,112</u>	(U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$	<u>1,707,656</u>	(E)
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**Recapitulation of Excess Surplus as of June 30, 2021**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>1,746,897</u>	(C3)
Reserved Excess Surplus ***[(E)]	\$	<u>1,707,656</u>	(E)
Total [(C3) + (E)]	\$	<u>3,454,553</u>	(D)

\* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

- (H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2016 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
- (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
- (J1) Extraordinary Aid;
- (J2) Additional Nonpublic School Transportation Aid;
- (J3) Recognized current year School Bus Advertising Revenue; and
- (J4) Family Crisis Transportation Aid

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ 542,159	(J1)
Additional Nonpublic School Transportation Aid	\$ _____	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ 542,159	 (K)

\*\* This amount represents the June 30, 2021 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amounts must agree to the June 30, 2021 CAFR and must agree to Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

**Detail of Other Reserved Fund Balance**

Statutory restrictions:		
Approved unspent separate proposal	\$ _____	
Sale/Lease-back reserve	\$ _____	
Capital Reserve	\$ 5,629,704	
Maintenance Reserve	\$ 1,508,010	
Emergency Reserve	\$ _____	
Tuition Reserve	\$ _____	
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ _____	
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ _____	
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ _____	
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ _____	
Other state/government mandated reserve	\$ _____	
Reserve for Unemployment Fund	\$ _____	
[Other Restricted Fund Balance not noted above]****	\$ _____	
 Total Other Restricted Fund Balance	 \$ 7,137,714	 (C4)

**TOWNSHIP OF TEANECK BOARD OF EDUCATION  
AUDIT RECOMMENDATION SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Recommendations:**

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

The District should review all information input into the system for health benefit contribution calculations to ensure that calculations are in accordance with N.J.S.A. 18A:16-17.1.

The District should reference the Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2021 Edition and other available reference materials, such as the Budget Guidelines for the proper classification required to be in compliance with N.J.A.C. 6A:23-2.3(f).

Each month, the Treasurer should determine cash balances by performing cash reconciliations in accordance with N.J.S.A. 18A:17-9.

More care be taken to ensure sufficient funds are available prior to the disbursement of funds.

The District should review the individual student on-line forms prior to the final submission of the EXAID application to ensure the forms are complete and the information agrees to the work papers prepared.

The amounts recorded on the Nonpublic School Completion Report should be reconciled to the current year budget expenditures prior to submission of the report.

3. School Purchasing Programs

None

4. School Food Service

Prior to submitting reimbursement claims to the New Jersey Department of Agriculture the meals claimed should be verified to the meal count activity records.

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

**TOWNSHIP OF TEANECK BOARD OF EDUCATION  
AUDIT RECOMMENDATION SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Recommendations (continued):**

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings, with the exception of the recommendations preceded with an “\*”.