

**CARLSTADT BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2022**

**CARLSTADT BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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AUDITOR'S MANAGEMENT REPORT

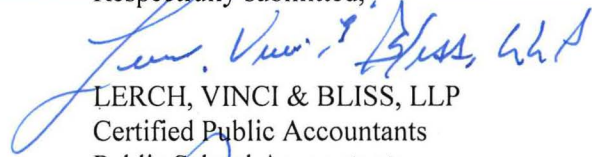
Honorable President and Members
of the Board of Trustees
Carlstadt Board of Education
Carlstadt, New Jersey

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 Carlstadt Board of Education as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated February 6, 2023.

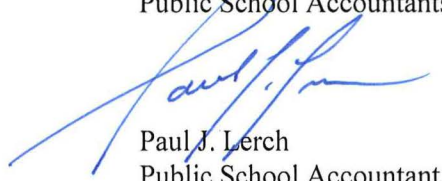
As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended 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.

Respectfully submitted,



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
February 6, 2023

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's Annual Comprehensive Financial Report ("ACFR").

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Megan Slamb	Board Secretary/School Business Administrator	\$200,000

There is Public Employees' Dishonesty coverage with Selective Insurance Company of America covering all other employees with coverage of \$500,000 per loss.

P.L. 2020,C.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by school district.

The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

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

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withheld due to the General Fund.

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

The School Business Administrator completed and filed the required Certification (E-CERT1) of Compliance with Federal and State Law respecting the reporting of compensation of certain employees.

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

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 year end 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 2022-002 – Our audit of year end open purchase orders in the General Fund and Special Revenue Funds revealed invalid encumbrances that should have been recorded as accounts payable at year end.

Recommendation – Open purchase orders be reviewed at year end for validity and proper classification as either open encumbrances or accounts payable.

Travel

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

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3.

Board Secretary's Records

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

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

The prescribed contractual order system was followed.

Finding 2022-001 - Our audit of the District's financial records revealed the following:

1. State aid awards for Extraordinary Aid and Maintenance of Effort Aid were not accrued at year end.
2. Debit/credit memos for Debt Service Assessment and County Special Services Tuition were recorded as encumbrances at year end.
3. Prior year Extraordinary Aid receivable was recorded as current year revenue.
4. Manual journal entries were made directly against fund balance, expenditure control accounts and cash, without being ran through subsidiary ledgers.
5. Adopted budget for the special revenue fund was entered into the financial software system incorrectly.

Recommendation – The District's financial records be reviewed on a monthly basis to ensure all revenues, appropriations and cash are properly recorded and in agreement with the subsidiary records.

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Financial Planning, Accounting and Reporting (Continued)

Unemployment Compensation Insurance Trust Fund

The Board has adopted the contribution method and has established an Unemployment Compensation Insurance Trust Fund. 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 Fund of the ACFR. This section of the ACFR documents the financial position pertaining to projects under Title I through Title IV of the Elementary and Secondary Education Act as amended and reauthorized.

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.

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 ACFR.

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 with the Special Revenue section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

TPAF 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.

TPAF 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 and no exceptions were noted.

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-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 \$19,600 for 2020-21.

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.

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

School Purchasing Programs (Continued)

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the 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 purchases were made through the use of State contracts.

Food Service Fund

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. Governor Murphy's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

As a result, School Food Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO). SFAs could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in provided meals to all 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, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. Exceptions were not noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. Exceptions were not noted.

Non-program foods were purchased, prepared and offered for sale.

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

The financial transactions and records of the school food service fund were reviewed. The financial accounts, were reviewed on a test-check basis. Cash receipts and bank records were reviewed for timely deposit.

The district utilized 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 has no guarantees that the food service program will return a profit.

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Food Service Fund (Continued)

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the costs 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 exceed three months average expenditures.

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

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

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

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

Student Body Activities

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

The financial records of the student body activity funds were maintained in good condition.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2021 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 noted. The information that was included on the workpapers was verified with immaterial exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

The District maintained workpapers on the prescribed state forms or their equivalent.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2021-22 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 Audit Enrollments.

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

Facilities and Capital Assets

Our procedures included a review of the transfer of local funds from the general fund or from the capital reserve account, and awarding the contracts for eligible facilities construction.

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Testing for Lead of all Drinking Water in Education Facilities

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

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

Follow Up On Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings.

Suggestion to Management

1. State and Federal Food Service reimbursements be transferred from the General Fund to the Food Service fund in a timely manner.
2. District obtain Political Contribution Disclosure forms for all contracts exceeding \$17,500 that are awarded Non-fair and open.
3. A formal policy on Store Cards be approved.
4. Capital Reserve withdrawal requests be made to the County Superintendent at the time of contract awards.

**CARLSTADT BOARD OF EDUCATION
FOOD SERVICE FUND
SCHEDULE OF MEAL COUNT ACTIVITY
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOT APPLICABLE –
INFORMATION IS NOT REQUIRED**

**CARLSTADT BOARD OF EDUCATION
FOOD SERVICE FUND
NET CASH RESOURCE SCHEDULE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Net Cash Resources:</u>		Food Service
CAFR	*	
B-4	Current Assets	
	Cash & Cash Equiv.	\$ (17,778)
B-4	Due from Other Gov'ts	62,183
B-4	Due from Other Funds	26,596
CAFR	Current Liabilities	
B-4	Less Accounts Payable	(21,480)
B-4	Less Deferred Commodities	-
		-
	Net Cash Resources	\$ 49,521
		\$ 49,521

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	391,692
B-5	Less Depreciation	(1,977)
		(1,977)
	Adj. Tot. Oper. Exp.	\$ 389,715
		\$ 389,715

Average Monthly Operating Expense:

\$ 38,972

Three times monthly Average:

\$ 116,915

NET CASH RESOURCES	\$	49,521
LESS THREE TIMES MONTHLY AVERAGE EXPENSES	\$	116,915
NET	\$	(67,394)

Net cash resources are below 3 X average monthly operating expenses by \$67,394.

**CARLSTADT BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2021**

	2021-2022						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 Verifi- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool - 3 years		-		-		-		-		-		-					
Full Day Preschool - 3 years		-		-		-		-		-		-					
Half Day Preschool - 4 years	30	-	30	-		-		30	-	30	-	-					
Full Day Preschool - 4 years		-		-		-			-		-	-					
Half Day Kindergarten		-		-		-			-		-	-					
Full Day Kindergarten	63	-	63	-		-		63	-	63	-	-					
1st Grade	47	-	47	-		-		47	-	47	-	-					
2nd Grade	42	-	42	-		-		42	-	42	-	-					
3rd Grade	38	-	38	-		-		38	-	38	-	-					
4th Grade	40	-	40	-		-		40	-	40	-	-					
5th Grade	42	-	42	-		-		42	-	42	-	-					
6th Grade	44	-	44	-		-		44	-	44	-	-					
7th Grade	47	-	47	-		-		47	-	47	-	-					
8th Grade	56	-	56	-		-		56	-	56	-	-					
9th Grade	-	-	-	-		-		-	-	-	-	-					
10th Grade	-	-	-	-		-		-	-	-	-	-					
11th Grade	-	-	-	-		-		-	-	-	-	-					
12th Grade	-	-	-	-		-		-	-	-	-	-					
Subtotal	449	-	449	-	-	-	-	449	-	449	-	-	-	-	-	-	-
Spec Ed - Elementary	45	-	45	-		-		34	-	34	-	-		1	1	1	
Spec Ed - Middle School	29	-	29	-		-		22	-	22	-	-		1	1	1	
Spec Ed - High School	-	-	-	-		-		-	-	-	-	-		-	-	-	
Subtotal	74	-	74	-	-	-	-	56	-	56	-	-	-	2	2	2	-
Totals	523	-	523	-	-	-	-	505	-	505	-	-	-	2	2	2	-
Percentage Error					<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>	

**CARLSTADT BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2021**

	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 Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool (3 Yrs)			-			-			-			-
Full Day Preschool (3 Yrs)			-			-			-			-
Half Day Preschool (4 Yrs)			-			-			-			-
Full Day Preschool (4 Yrs)			-			-			-			-
Half Day Kindergarten			-			-			-			-
Full Day Kindergarten	14	14	-	6	6	-	4	4	-	5	5	-
1st Grade	11	11	-	4	4	-	5	5	-	4	4	-
2nd Grade	11	11	-	3	3	-	3	3	-	3	3	-
3rd Grade	9	9	-	3	3	-	3	3	-	3	3	-
4th Grade	8	8	-	3	3	-	2	2	-	2	2	-
5th Grade	11	11	-	4	4	-	-	-	-	-	-	-
6th Grade	9	9	-	3	3	-	1	1	-	1	1	-
7th Grade	14	14	-	5	5	-	1	1	-	1	1	-
8th Grade	12	12	-	6	6	-	1	1	-	1	1	-
9th Grade	-	-	-	-	-	-	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>99</u>	<u>99</u>	<u>-</u>	<u>37</u>	<u>37</u>	<u>-</u>	<u>20</u>	<u>20</u>	<u>-</u>	<u>20</u>	<u>20</u>	<u>-</u>
Spec Ed - Elementary	23	23	-	8	8	-	8	8	-	7	7	-
Spec Ed - Middle School	13	13	-	4	4	-	1	1	-	1	1	-
Spec Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>36</u>	<u>36</u>	<u>-</u>	<u>12</u>	<u>12</u>	<u>-</u>	<u>9</u>	<u>9</u>	<u>-</u>	<u>8</u>	<u>8</u>	<u>-</u>
Totals	<u>135</u>	<u>135</u>	<u>-</u>	<u>49</u>	<u>49</u>	<u>-</u>	<u>29</u>	<u>29</u>	<u>-</u>	<u>28</u>	<u>28</u>	<u>-</u>
Percentage Error		<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>	

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public			-			-
Transported - Non-Public			-			-
Regular - Spec.			-			-
Special Needs - Public	7	7	-	6	6	-
Totals	<u>7</u>	<u>7</u>	<u>-</u>	<u>6</u>	<u>6</u>	<u>-</u>
		<u>0.00%</u>			<u>0.00%</u>	

**CARLSTADT BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2021**

	LEP Not 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 Register	Sample Errors
Half Day Preschool (3 Yrs)			-			-
Full Day Preschool (3 Yrs)			-			-
Half Day Preschool (4 Yrs)			-			-
Full Day Preschool (4 Yrs)			-			-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	3	3	-	3	3	-
1st Grade	8	8	-	7	7	-
2nd Grade	2	2	-	2	2	-
3rd Grade	3	3	-	2	2	-
4th Grade	3	3	-	2	2	-
5th Grade	1	1	-	1	1	-
6th Grade	2	2	-	2	2	-
7th Grade	-	-	-	-	-	-
8th Grade	1	1	-	1	1	-
9th Grade	-	-	-			-
10th Grade	-	-	-			-
11th Grade	-	-	-			-
12th Grade	-	-	-			-
Subtotal	23	23	-	20	20	-
Spec Ed - Elementary	1	1	-	1	1	-
Spec Ed - Middle School	3	3	-	2	2	-
Spec Ed - High School	-	-	-			-
Subtotal	4	4	-	3	3	-
Totals	27	27	-	23	23	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**CARLSTADT BOARD OF EDUCATION
CALCULATION OF EXCESS SUPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

SECTION 1 - Regular District

2021-2022 Total General Fund Expenditures per the CAFR	\$ 14,379,597
Decreased by:	
On-Behalf TPAF Pension & Social Security	2,554,731
Adjusted 2021-2022 General Fund Expenditures	\$ 11,824,866
4% of Adjusted 2021-2022 General Fund Expenditures	\$ 472,995
Enter Greater of 4% of Adjusted 2021-2022 General Fund Expenditures or \$250,000	\$ 472,995
Increased by: Allowable Adjustments-Extraordinary Aid	364,471
Maximum Unassigned Fund Balance	\$ 837,466

SECTION 2 - All Districts

Total General Fund - Fund Balance at June 30, 2022 (Per CAFR Budgetary Comparison Schedule/Statement)	\$ 7,603,481
Decreased by:	
Year End Encumbrances	\$ 103,043
Restricted Fund Balance - Excess Surplus-Designated for Subsequent Year's Expenditures	1,671,503
Restricted Fund Balance - Capital Reserve-Designated for Subsequent Year's Expenditures	2,000,000
Restricted Fund Balance - Capital Reserve	419,503
Restricted Fund Balance - Maintenance Reserve	510,495
Restricted Fund Balance - Emergency Reserve	250,000
Restricted for Unemployment Compensation	15,816
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	140,292
	5,110,652
Total Unassigned Fund Balance	\$ 2,492,829

SECTION 3 - All Districts

Restricted Fund Balance - Excess Surplus	\$ 1,655,363
Recapitulation of Excess Surplus as of June 30, 2022	
Excess Surplus-Designated for Subsequent Year's Expenditures	\$ 1,671,503
Excess Surplus	1,655,363
Total Excess Surplus	\$ 3,326,866

Detail of Allowable Adjustments

Extraordinary Aid - Unbudgeted	\$ 175,093
Maintenance of Equity Aid - Unbudgeted	189,378
	\$ 364,471

CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

RECOMMENDATIONS

I. **Administration Practices and Procedures**

There are none.

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

It is recommended that:

1. The District's financial records be reviewed on a monthly basis to ensure all revenues, appropriations and cash are properly recorded and in agreement with the subsidiary records.
2. Open purchase orders be reviewed at year end for validity and proper classification as either open encumbrances or accounts payable.

III. **School Purchasing Program**

There are none.

IV. **School Food Service**

There are none.

V. **Student Body Activities**

There are none.

VI. **Application for State School Aid (ASSA)**

There are none.

VII. **Pupil Transportation**

There are none.

VIII. **Facilities and Capital Assets**

There are none.

IX. **Status of Prior Years' Audit Findings/Recommendations**

A review was performed on all prior years' recommendations and corrective action was taken on all.

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 & BLISS, LLP



Paul J. Lerch
Certified Public Accountant
Public School Accountant