

**EDGEWATER BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30 2022**

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

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Edgewater Board of Education
Edgewater, New Jersey

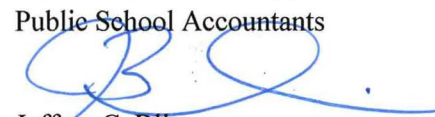
We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Edgewater Board of Education, County of Bergen, State of New Jersey as of and for the fiscal year ended June 30 2022, and have issued our report thereon dated January 24, 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 of management, the Board of Education, 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.

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Certified Public Accountants
Public School Accountants


Jeffrey C. Bliss
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Fair Lawn, New Jersey
January 24, 2023

**EDGEWATER 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 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 Exhibit J-20, Schedule of Insurance contained in the district's Comprehensive Annual Financial Report ("CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Walley Lindsley	Business Administrator/ Board Secretary (4/19/2022 to 6/30/2022)	\$250,000
Kathleen Marano	Interim Business Administrator/ Board Secretary (7/1/2021 to 4/18/2022)	\$250,000
Tina L. Trueba	Treasurer of School Monies	\$250,000

There is Public Employee Dishonesty and Faithful Performance policy with the New Jersey Schools Insurance Group covering all other employees with multiple coverage of \$500,000.

P.L. 2020, c44

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 of audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did appear to include all health benefit plans offered by the 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 material discrepancies with respect to signatures, certifications and supporting documentation.

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

Financial Planning, Accounting and Reporting (Continued)

Payroll Account

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

The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law respecting the reporting of compensation for certain employees.

All payrolls tested after the implementation of the prior audit's corrective action were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator.

- **Finding 2022-1** – Although a position control roster was maintained in an electronic (Excel) format, it was not integrated with the District's budget and payroll accounting systems in accordance with N.J.A.C. 6A:23A-6.8.

Recommendation – The District implement and maintain a position control roster that is integrated with its budget and payroll accounting system in accordance with N.J.A.C. 6A:23A-6.8.

- **Finding 2022-2** – A payroll deduction ledger was not maintained by the District to account for payroll deduction by their respective categories.

Recommendation – The District implement and maintain a payroll deduction ledger by individual deduction category.

- **Finding 2022-3** – Our audit of employee health benefit contributions revealed certain contribution amounts calculated were not in accordance with contractual agreements and Board policy.

Recommendation – Procedures be reviewed and revised to ensure employee health benefit contributions are calculated in accordance with contractual agreements and Board policy.

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 reserve 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 2022-4 (ACFR Finding 2022-001)** – Our audit of year end open purchase orders in the General and Special Revenue Funds revealed certain purchase orders were not reviewed at year end for validity and proper classification as accounts payable or reserve for encumbrance.

Recommendation – Continued efforts be made to ensure open purchase orders are reviewed at year end for validity and proper classification and they be adjusted accordingly.

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

Financial Planning, Accounting and Reporting (Continued)

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23 A-16.(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 included administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23-8.3. As a result of the procedures performed, no additional testing was deemed necessary to test the propriety of expenditure classifications.

Travel Policy

The District had an approved Board travel policy as required by NJAC 6A:23A-6.13 and NJSA 18A:11-12.

Board Secretary's Records

The financial records, books of account and minutes maintained by the Board Secretary were in unsatisfactory condition. Acknowledgement of the Board's receipt of the Board Secretary's monthly financial reports were included in the minutes. The prescribed contractual order system was followed with exceptions noted.

- **Finding 2022-5 (ACFR Finding 2022-002)** – Our audit of the general ledger account balances of the various funds revealed numerous adjusting journal entries were required to reconcile the Board's general ledger account with bank reconciliation balances, subsidiary reports and other supporting documentation.

Recommendation – Internal control procedures over financial accounting and reporting be reviewed and enhanced to ensure general ledger account balances are reconciled to and in agreement with subsidiary reports and supporting records.

- **Finding 2022-6**– We noted prior years grant receivable balances in the Special Revenue Fund in the amount of \$96,203 at June 30 2022. Our review of subsequent transactions revealed no amounts were received for these outstanding receivables as of the date of audit.

Recommendation – The District review the prior year grant receivable balances in the Special Revenue Fund and appropriate action be taken to clear them of record.

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 projects under Title I, II, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Exhibits K-3 and 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.

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.

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

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 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 regulates bidding for public school student transportation contracts under NJSA 18A:39-3 which is \$19,600 for 2020-2021.

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 Board designated the Interim School Business Administrator as the qualified purchasing agent and approved a bid threshold of \$44,000.

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.

The results of our examination did not indicate any 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.

- **Finding 2022-7 (ACFR Finding 2022-003)** – Our audit of purchases and contract awards in excess of the bid and quote thresholds revealed the following as it related to compliance with the Public School Contracts Law:
 - We noted payments to a vendor for technology supplies and equipment which exceeded the bid threshold where no documentation was provided to support purchases were made through a public bid process, state contract or cooperative purchasing program.
 - Our audit revealed two instances where purchases and contract awards in excess of the bid threshold from cooperative purchasing program vendors that were not approved in the minutes.
 - We noted cooperative purchasing program contract award information was not on file in the District and not being reviewed to ensure amounts invoiced were goods or services and prices in the approved cooperative purchasing program award.
 - We noted payments made for several goods and services which exceeded the quote threshold, however competitive quotations were not provided for audit.

Recommendation - Continued efforts be made to ensure all contract awards and purchases that exceed the bid and quote thresholds are procured in accordance with the requirements of the Public School Contracts Law. In addition, cooperative purchasing program contract award documentation be maintained on file and verified to vendor invoices accordingly.

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 that purchases were made through the use of state contracts.

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

Food Service Fund

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. 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 (SFA’s) 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 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 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 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. No exceptions were noted.

We also 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 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.

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. The FSMC contract includes operating results provisions which guarantees that the Food Service program will have a profit of \$5,000. The operating results provision has been met.

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 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. Net cash resources did exceed three months average expenditures.

- **Finding 2022-8** – Our audit revealed net cash resource exceeded three months of average expenditures at June 30, 2022 in the Food Service Fund.

Recommendation – The District develop a plan to eliminate the excess of the net cash resources in the Food Service Fund.

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

Food Service Fund (Continued)

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

U.S.D.A. commodities were received and a separate inventory were maintained on a first-in, first-out basis.

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

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

Student Body Activities

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

All cash disbursements tested had proper supporting documentation.

Preschool Program

The District operates a pre-kindergarten program for resident children based on an annual fee.

- **Finding 2022-9** – With respect to the preschool program we noted the following:
 - The program ended the year in a net position deficit of \$27,881 at June 30, 2022.
 - Program salaries were not being charged to the program during the school year. An audit adjustment was required to reallocate program salaries charged to the General Fund budget.

Recommendation – With respect to the Preschool Program:

- Appropriate action be taken to eliminate the deficit in net position at June 30, 2022.
- Program salaries be properly charged to the program during the year.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2021 Application for State School Aid (ASSA) for on-roll, private schools for the disabled, related services, 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 minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District did maintain workpapers on the prescribed state forms or their equivalent for all reporting categories.

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

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

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2021-2022 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.

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

The District had no active SDA grant projects during the current year.

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.

Suggestions to Management

- The Treasurer's surety bond be increased to a minimum of \$275,000.
- Receipt of good signatures on purchase orders be made at the time vendor invoices are presented for payment.
- The unspent project balances in the Capital Projects Fund be reviewed and appropriate action be taken to clear completed project balances of record.
- Formal bank reconciliations be prepared monthly in the student school accounts.
- The District should approve a resolution or memorandum to acknowledge that the District exceeds 130% of the statewide average for legal costs, the specific internal controls procedures implemented for the reduction of costs and to provide reasons why such procedures may not result in a reduction of costs.

Follow-up Prior Year Findings

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

**EDGEWATER BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30 2022**

N/A – INFORMATION NOT REQUIRED

**EDGEWATER BOARD OF EDUCATION
FOOD SERVICE FUND
COMPARISON OF NET CASH RESOURCES TO THREE MONTHS AVERAGE EXPENDITURES
ENTERPRISE FUND
AS OF JUNE 30 2022**

NET CASH RESOURCE SCHEDULE

<u>Net Cash Resources:</u>		<u>Total</u>	<u>Reference</u>
CAFR			
<u>Exhibit</u>			
	Current Assets		
B-4	Cash & Cash Equivalents	\$ 145,089	
B-4	Intergovernmental Receivable	36,056	
B-4	Other Accounts Receivable	94	
B-4	Due From Other Funds		
CAFR			
	Current Liabilities		
B-4	Less Accounts Payable		
B-4	Less Due to Other Funds	(3,262)	
B-4	Less Unearned Revenue	(7,838)	
	Net Cash Resources	<u>\$ 170,139</u>	(A)
<u>Total Net Adjusted Operating Expenses:</u>			
B-5	Total Operating Expenses	\$ 328,018	
B-5	Less Depreciation	(9,270)	
	Total Net Adjusted Total Operating Expenditures	<u>\$ 318,748</u>	(B)
<u>Average Monthly Operating Expenses:</u>			
	Total Net Adjusted Operating Expenses (B) / 10 months	<u>\$ 31,875</u>	(C)
<u>Three Times Monthly Average:</u>			
	3 X Average Monthly Expenses (C)	<u>\$ 95,624</u>	(D)

TOTAL NET CASH RESOURCES	\$ 170,139	(A)
LESS THREE MONTHS AVERAGE EXPENDITURES	\$ (95,624)	(D)
NET OVER (UNDER)	<u>\$ 74,515</u>	
NET CASH RESOURCES EXCEED THREE MONTH AVERAGE EXPENDITURES		

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

SOURCE - USDA resource management comprehensive review form

EDGEWATER BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2021
 SCHEDULE OF AUDITED ENROLLMENTS

	2022-23 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 Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool - 3yr	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool - 4yr	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 3yr	-	-	1.0	-	(1.0)	-	1.0	-	1.0	-	-	-	-	-	-	-
Full Day Preschool - 4yr	7.0	-	7.0	-	-	-	7.0	-	7.0	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	107.0	-	107.0	-	-	-	107.0	-	107.0	-	-	-	-	-	-	-
One	88.0	-	86.0	-	2.0	-	86.0	-	86.0	-	-	-	-	-	-	-
Two	99.0	-	99.0	-	-	-	99.0	-	99.0	-	-	-	-	-	-	-
Three	80.0	-	80.0	-	-	-	80.0	-	80.0	-	-	-	-	-	-	-
Four	86.0	-	86.0	-	-	-	86.0	-	86.0	-	-	-	-	-	-	-
Five	65.0	-	65.0	-	-	-	65.0	-	65.0	-	-	-	-	-	-	-
Six	83.0	-	83.0	-	-	-	83.0	-	83.0	-	-	-	-	-	-	-
Seven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eight	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	615.0	-	614.0	-	1	-	614.0	-	614.0	-	-	-	-	-	-	-
Special Ed - Elementary	45.0	-	43.0	-	2	-	31.0	-	29.0	-	2	-	-	-	-	-
Special Ed - Middle School	9.0	-	9.0	-	-	-	7.0	-	7.0	-	-	-	4.0	3.0	2.0	1
Special Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-	9.0	8.0	8.0	-
Subtotal	54.0	-	52.0	-	2	-	38.0	-	36.0	-	2	-	13.0	11.0	10.0	1
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	669.0	-	666.0	-	3.0	-	652.0	-	650.0	-	2.0	-	13.0	11.0	10.0	1.0
Percentage Error					0.45%	0.00%					0.31%	0.00%				9.09%

**EDGEWATER BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021
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	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	-	-		-								
Full Day Kindergarten	7.0	7.0	0.00	2.0	2.0	-	3.0	3.0	-	2.0	2.0	-
One	6.0	6.0	0.00	2.0	2.0	-	-	-	-	-	-	-
Two	4.0	6.0	(2.0)	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
Three	9.0	5.0	4.0	2.0	2.0	-	-	-	-	-	-	-
Four	17.0	17.0	0.0	5.0	5.0	-	1.0	1.0	-	1.0	1.0	-
Five	6.0	5.0	1.0	2.0	2.0	-	-	-	-	-	-	-
Six	13.0	11.0	2.0	4.0	4.0	-	-	-	-	-	-	-
Seven	7.0	7.0	0.0	2.0	2.0	-	-	-	-	-	-	-
Eight	6.0	6.0	0.0	2.0	2.0	-	-	-	-	-	-	-
Nine	9.0	9.0	0.0	3.0	3.0	-	-	-	-	-	-	-
Ten	15.0	15.0	0.0	5.0	5.0	-	1.0	-	1.0	-	-	-
Eleven	9.0	9.0	0.0	3.0	3.0	-	-	-	-	-	-	-
Twelve	12.0	12.0	0.0	4.0	4.0	-	-	-	-	-	-	-
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	120.0	115.0	5.0	38.0	38.0	-	6.0	5.0	1.0	4.0	4.0	-
Special Ed - Elementary	13.0	10.0	3.0	3.0	3.0	-	-	-	-	-	-	-
Special Ed - Middle	10.0	10.0	0.0	2.0	2.0	-	-	-	-	-	-	-
Special Ed - High	18.0	17.0	1.0	5.0	5.0	-	2.0	2.0	-	1.0	1.0	-
Subtotal	41.0	37.0	4.0	10.0	10.0	-	2.0	2.0	-	1.0	1.0	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	161.0	152.0	9.0	48.0	48.0	-	8.0	7.0	1.0	5.0	5.0	-
Percentage Error			5.59%			0.00%			12.50%			0.00%

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	1,003.0	1,003.0	0.0	64.0	64.0	-
Reg -SpEd, col. 4	27.0	27.0	0.0	2.0	2.0	-
Transported - Non-Public, col. 2	-	-	0.0	-	-	-
Special Ed Spec, col. 6	30.0	30.0	0.0	2.0	2.0	-
Totals	1,060.0	1,060.0	0.0	68.0	68.0	-
Percentage Error			0.00%			0.00%

**EDGEWATER BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021
SCHEDULE OF AUDITED ENROLLMENTS**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	28.0	28.0	-	14.0	14.0	-
One	15.0	14.0	1.0	7.0	7.0	-
Two	13.0	13.0	-	7.0	7.0	-
Three	11.0	11.0	-	6.0	6.0	-
Four	4.0	4.0	-	3.0	3.0	-
Five	4.0	4.0	-	2.0	2.0	-
Six	3.0	3.0	-	2.0	2.0	-
Seven	5.0	5.0	-	1.0	1.0	-
Eight	1.0	1.0	-	-	-	-
Nine	3.0	2.0	1.0	1.0	1.0	-
Ten	1.0	2.0	(1.0)	1.0	1.0	-
Eleven	3.0	3.0	-	2.0	2.0	-
Twelve	3.0	3.0	-	2.0	2.0	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>94.0</u>	<u>93.0</u>	<u>1.0</u>	<u>48.0</u>	<u>48.0</u>	<u>-</u>
Special Ed - Elementary	1.0	1.0	-	-	-	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	1.0	1.0	-	1.0	1.0	-
Subtotal	<u>2.0</u>	<u>2.0</u>	<u>-</u>	<u>1.0</u>	<u>1.0</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>96.0</u>	<u>95.0</u>	<u>1.0</u>	<u>49.0</u>	<u>49.0</u>	<u>-</u>
Percentage Error			<u>1.04%</u>			<u>0.00%</u>

**EDGEWATER BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30 2022**

SECTION 1A

2021-2022 Total General Fund Expenditures per the CAFR	\$	27,214,626
Decreased by:		
On-Behalf TPAF Pension & Social Security		(2,772,482)
Adjusted 2021-2022 General Fund Expenditures	\$	24,442,144
1.5% of Adjusted 2021-2022 General Fund Expenditures	\$	366,632
Enter Greater of 1.5% of Adjusted 2021-2022 General Fund Expenditures or \$250,000	\$	366,632
Increased by: Allowable Adjustments		617,628
Maximum Unassigned Fund Balance		\$ 984,260

SECTION 2

Total General Fund - Fund Balance at June 30, 2022 (Per CAFR Budgetary Comparison Schedule/Statement)	\$	16,803,592
Decreased by:		
Year End Encumbrances	\$	572,964
Capital Reserve		6,199,209
Maintenance Reserve		939,432
Emergency Reserve		298,849
Reserved - State Aid Advance Loan Repayment		1,080,000
Tuition Adjustment Reserve		2,059,000
Legally Restricted - Unexpended Additional Spending Proposal		4,669,878
		15,819,332
Total Unassigned Fund Balance	\$	984,260

SECTION 3

Restricted Fund Balance - Reserved Excess Surplus \$ -

Recapitulation of Excess Surplus as of June 30, 2022

Reserved Excess Surplus	\$	-
Reserved Excess Surplus - Designated for Subsequent Year Expenditures		-
Total Reserved Excess Surplus	\$	-

Detail of Allowable Adjustments

Extraordinary Aid (Excess of Budget)	\$	570,068
Non Public School Transportation Aid		47,560
	\$	617,628

**EDGEWATER BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

- * 1. The District implement and maintain a position control roster that is integrated with its budget and payroll accounting system in accordance with N.J.A.C. 6A:23A-6.8.
- * 2. The District implement and maintain a payroll deduction ledger by individual deduction category.
- 3. Procedures be reviewed and revised to ensure employee health benefit contributions are calculated in accordance with contractual agreements and Board policy.
- * 4. Continued efforts be made to ensure open purchase orders are reviewed at year end for validity and proper classification and they be adjusted accordingly.
- 5. Internal control procedures over financial accounting and reporting be reviewed and enhanced to ensure general ledger account balances are reconciled to and in agreement with subsidiary reports and supporting records.
- * 6. The District review the prior year grant receivable balances in the Special Revenue Fund and appropriate action be taken to clear them of record.

III. School Purchasing Program

- 7. It is recommended that continued efforts be made to ensure all contract awards and purchases that exceed the bid and quote thresholds are procured in accordance with the requirements of the Public School Contracts Law. In addition, cooperative purchasing program contract award documentation be maintained on file and verified to vendor invoices accordingly.

IV. School Food Service

- 8. It is recommended that the District develop a plan to eliminate the excess of the net cash resources in the Food Service Fund.

V. Student Body Activities

There are none.

VI. Preschool Program

- 9. It is recommended that with respect to the Preschool Program:
 - Appropriate action be taken to eliminate the deficit in net position at June 30, 2022.
 - Program salaries be properly charged to the program during the year.

**EDGEWATER BOARD OF EDUCATION
RECOMMENDATIONS**

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Miscellaneous

There are none.


X. Status of Prior Years' Audit Findings/Recommendations

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

Respectfully submitted,
LERCH, VINCI & BLISS, LLP



Jeffrey C. Bliss
Public School Accountant
Certified Public Accountant