

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

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

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# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S MANAGEMENT REPORT

Honorable President and Members  
of the Board of Trustees  
Garfield Board of Education  
Garfield, 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 Garfield Board of Education, State of New Jersey as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated February 10, 2023.

As part of our audit, we performed procedures required by the 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.

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

Andrew D. Parente  
Public School Accountant  
PSA Number CS00224600

Fair Lawn, New Jersey  
February 10, 2023

**GARFIELD 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>
Dr. Giovanni Cusmano	Assistant Superintendent of Finance/ Board Secretary	\$150,000
Matthew Paladino	Treasurer of School Monies	500,000

There is public employee dishonesty with faithful performance coverage for all other employees with 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 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.

The original data submission did not require significant revision due to errors or omissions on the part of the district.

**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 proper itemization.

Payroll Account

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

All payrolls tested were certified by the President of the Board, the Board Secretary/Business Administrator and the Superintendent of Schools.

Salary withholdings were promptly remitted to the District's payroll service provider for submission to the proper agencies. In addition, the District remitted the health benefit withholdings due to the General Fund in a timely manner.

The District maintains a personnel tracking and accounting (Position Control) system.

The required certification (E-Cert1) of compliance with requirements of income tax on compensation of District Administration was filed with the NJ Department of Treasury by the due date.

**GARFIELD 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 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 – 2022-1 (ACFR Finding 2022-001)** – Our audit of year end accounts payable and encumbrances payable in the General, Capital Projects and Food Service Enterprise Funds revealed several purchase orders that were misclassified at year end.

**Recommendation** – Procedures be revised to ensure open purchase orders are reviewed at year end for proper classification and adjusted accordingly.

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 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 expenditure classification errors were noted and no additional testing was deemed necessary to test the propriety of expenditure classifications.

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.

Board Secretary's Records

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

The prescribed contractual order system was followed.

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

Treasurer's Records

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

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

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (E.S.S.A.)

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.

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

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

I.D.E.A.

Separate accounting records were maintained for each approved project. Grant applications approvals and acceptance of grant funds were made by Board resolution.

T.P.A.F. Reimbursements

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for District employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of 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 currently \$20,200.

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 obtained before a commitment is made.

The results of our examination did indicate that 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 advertising for bids, in accordance with the provision of N.J.S.A. 18A:18A-4, as amended.

**Finding – 2022-2** - Our audit of purchases related to compliance with the Public School Contracts Law revealed that certain vendors procured through State contract, contract renewals or exempt from the public bid process which purchases exceeded the bid threshold were not approved in the Board minutes.

**Recommendation** – All vendors paid in excess of the bid threshold be approved in the Board minutes.

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.

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

**School Food Service**

**COVID – 19 EMERGENCY**

In accordance with the Governor’s Declaration of Emergency pertaining to the COVID 19 Virus 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 Free and Reduced Price 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.

During SY 2021-2022 the public health emergency was still applicable. As a result, School Food Authorities (SFA’s) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO), SFA’s 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 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 free and reduced price meal eligible students during the emergency.

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State 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.

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, 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met.

Expenditures are separately recorded as food, labor and other costs. Inventory records on food and 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 expense records were maintained in order to substantiate the non-profit status of the school food service.

The FSMC did not apply for and receive a loan in accordance with the Payroll Protection Plan.

**Finding (2022-3)** – The Food Service Fund net cash resources exceeded three months of average expenditures at June 30, 2022.

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

U.S.D.A. 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.

Non-program foods were purchased, prepared, sold, or offered for sale. The Statement of Revenues, Expenses, and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue AND program and non-program cost of goods sold.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section B4-B6 of the CAFR.

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

**Student Body Activities**

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

Cash receipts were promptly deposited for student activity accounts.

Cash disbursements had proper supporting documentation.

**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. The information that was included on the workpapers was verified with no 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.

**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 with no exceptions. 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 exemptions were noted in our review of transportation related purchases of goods and services.

**Facilities and Capital Assets**

Since the District is classified as an At Risk School District, a portion of the SDA grant activity is conducted by the State on behalf of the Board. This on-behalf grant activity is reported in the District's financial statements as State aid revenue and capital outlay expenditures in the Capital Projects Fund.

With respect to direct SDA grants to the District, our procedures included a review of the SDA grant agreements for consistence with recording SDA revenue, transfer of local funds from the General Fund or from the Capital Reserve account and awarding of contracts for eligible facilities construction.

**Testing for Lead of all Drinking Water in Educational Facilities**

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

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



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

**Follow-up Prior Year Findings**

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

**Suggestions to Management**

- It is suggested that the 2022/23 Preschool Education Aid budget be reviewed and amended based on carryover balances available at June 30, 2022.
- The District maintain a monthly payroll deduction ledger.

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

**NOT APPLICABLE**

**GARFIELD BOARD OF EDUCATION  
NET CASH RESOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Net Cash Resources:**

**Current Assets**

Cash and Cash Equivalents	\$	3,909,038
Accounts Receivable		431,028

**Current Liabilities**

Less:		
Accounts Payable		(419,594)
Unearned Revenue		(16,314)

<b>Net Cash Resources</b>	<b>\$</b>	<b><u>3,904,158</u></b>
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**Adjusted Total Operating Expense:**

Total Operating Expenses	\$	4,094,765
Less Depreciation		(25,883)

Adjusted Total Operating Expense	\$	<u>4,068,882</u>
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<b><u>Average Monthly Operating Expense:</u></b>	<b>\$</b>	<b><u>406,888</u></b>
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<b><u>Three Times Monthly Average:</u></b>	<b>\$</b>	<b><u>1,220,665</u></b>
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Total Net Cash Resources	\$	3,904,158
Three Times Monthly Average		<u>1,220,665</u>

Net Cash Resources Exceeds Three Month Average Expenses	\$	<u>2,683,493</u>
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**GARFIELD BOARD OF EDUCATION**  
**ASSA**  
**SCHEDULE OF AUDITED ENROLLMENTS**  
**10/15/2021**

	2022/2023 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Full Day Preschool - 3 years	227		227		-	-	69		69		-	-				
Full Day Preschool - 4 years	255		255		-	-	20		20		-	-				
Full Day Kindergarten	322		322		-	-	43		43		-	-				
One	292		292		-	-	29		29		-	-				
Two	272		272		-	-	33		33		-	-				
Three	273		273		-	-	34		34		-	-				
Four	226		226		-	-	29		29		-	-				
Five	236		236		-	-	40		40		-	-				
Six	231		231		-	-	231		231		-	-				
Seven	266		266		-	-	266		266		-	-				
Eight	291		291		-	-	291		291		-	-				
Nine	221		221		-	-	221		221		-	-				
Ten	252		252		-	-	252		252		-	-				
Eleven	231	5	231	5	-	-	231		231		-	-				
Twelve	205	6	205	6	-	-	205		205		-	-				
Adult High School(15+ Credits)					-	-					-	-				
Subtotal	3,800	11	3,800	11	-	-	1,994	-	1,994	-	-	-	-	-	-	-
Spec Ed - Elementary	395		395		-	-	32		32		-	-	1	1	1	-
Spec Ed- Middle School	223		223		-	-	18		18		-	-	14	12	12	-
Spec Ed - High School	203	1	203	1	-	-	17		17		-	-	13	11	11	-
Subtotal	821	1	821	1	-	-	67	-	67	-	-	-	28	24	24	-
Totals	4,621	12	4,621	12	-	-	2,061	-	2,061	-	-	-	28	24	24	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

**GARFIELD BOARD OF EDUCATION  
ASSA  
SCHEDULE OF AUDITED ENROLLMENTS  
10/15/2021**

	Resident Low Income			Sample for Verification			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
	Full Day Pre-School (3 Yrs)			-			-			-		
Full Day Pre-School (4 Yrs)			-			-			-			-
Full Day Kindergarten	161.0	161.0	-	4.0	4.0	-	21	21	-	1.0	1.0	-
One	158.0	158.0	-	4.0	4.0	-	19	19	-	2.0	2.0	-
Two	161.0	161.0	-	4.0	4.0	-	15	15	-	3.0	3.0	-
Three	165.0	165.0	-	4.0	4.0	-	14	14	-	1.0	1.0	-
Four	155.0	155.0	-	5.0	5.0	-	6	6	-	1.0	1.0	-
Five	148.0	148.0	-	4.0	4.0	-	6	6	-	3.0	3.0	-
Six	145.0	145.0	-	4.0	4.0	-	5	5	-	2.0	2.0	-
Seven	154.0	154.0	-	4.0	4.0	-	3	3	-	2.0	2.0	-
Eight	194.0	194.0	-	5.0	5.0	-	6	6	-	1.0	1.0	-
Nine	144.0	144.0	-	4.0	4.0	-	6	6	-	1.0	1.0	-
Ten	169.0	169.0	-	5.0	5.0	-	11	11	-	2.0	2.0	-
Eleven	146.0	151.0	5.0	4.0	4.0	-	5	5	-	1.0	1.0	-
Twelve	140.5	146.5	6.0	4.0	4.0	-	11	11	-	1.0	1.0	-
Subtotal	2,040.5	2,051.5	11.0	55.0	55.0	-	128.0	128.0	-	21.0	21.0	-
Spec Ed - Elementary	248.0	248.0	-	7.0	7.0	-	6.0	6.0	-	2.0	2.0	-
Spec Ed- Middle School	176.0	178.0	2.0	5.0	5.0	-	4.0	4.0	-	2.0	2.0	-
Spec Ed - High School	155.0	156.0	1.0	4.0	4.0	-	3.0	3.0	-	1.0	1.0	-
Training School			-			-			-			-
Juv Detention			-			-			-			-
	579.0	582.0	3.0	16.0	16.0	-	13.0	13.0	-	5.0	5.0	-
Totals	2,619.5	2,633.5	14.0	71.0	71.0	-	141.0	141.0	-	26.0	26.0	-

Percentage Error 0.53% 0.00% 0.00% 0.00%

	Transportation					
	Reported on DRTRS by District	Reported on DRTRS by DOE	Errors	Tested	Verified	Errors
Regular Public Schools	268.0	268.0	-	34.0	34.0	-
Transported Non-Public	20.0	20.0	-	3.0	3.0	-
Regular Special Ed.	107.0	107.0	-	14.0	14.0	-
Special Needs or OOD	109.0	109.0	-	13.0	13.0	-
Totals	504.0	504.0	-	64.0	64.0	-

0.00% 0.00%

**GARFIELD BOARD OF EDUCATION  
ASSA  
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
Full Day Pre-School (3 Yrs)			-			-
Full Day Pre-School (4 Yrs)			-			-
Full Day Kindergarten	23.0	22.0	1.0	5.0	5.0	-
One	30.0	30.0	-	2.0	2.0	-
Two	21.0	21.0	-	2.0	2.0	-
Three	14.0	14.0	-	6.0	6.0	-
Four	13.0	13.0	-	1.0	1.0	-
Five	14.0	14.0	-	3.0	3.0	-
Six	6.0	6.0	-	3.0	3.0	-
Seven	14.0	14.0	-	2.0	2.0	-
Eight	11.0	11.0	-	2.0	2.0	-
Nine	7.0	7.0	-	1.0	1.0	-
Ten	8.0	8.0	-	1.0	1.0	-
Eleven	8.0	8.0	-	1.0	1.0	-
Twelve	3.0	3.0	-	1.0	1.0	-
Subtotal	172.0	171.0	1.0	30.0	30.0	-
Spec Ed - Elementary	9.0	9.0	-	3.0	3.0	-
Spec Ed- Middle School	1.0	1.0	-	1.0	1.0	-
Spec Ed - High School	-	-	-	-	-	-
	10.0	10.0	-	4.0	4.0	-
Totals	182.0	181.0	1.0	34.0	34.0	-

Percentage Error

0.55%

0.00%

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

**SECTION 1B**

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

2021-2022 Total General Fund Expenditures reported on Exhibit C-1	\$ 120,688,819	
Increased by Applicable Operating Transfers		
Transfer to Special Revenue Fund - Preschool Education	987,872	
Less: Expenditures allocated to restricted federal sources as reported on Exhibit D-2	<u>(507,262)</u>	
2021-2022 Adjusted General Fund & Other State Expenditures		\$ 121,169,429
Decreased by:		
On-Behalf TPAF Pension & Social Security		(23,275,031)
Leases Issued		<u>(1,541,449)</u>
Adjusted 2021-2022 General Fund Expenditures		\$ <u>96,352,949</u>
4% of Adjusted 2021-2022 General Fund Expenditures		\$ <u>3,854,118</u>
Enter Greater of 4% of Adjusted 2021-2022 General Fund Expenditures or \$250,000		\$ 3,854,118
Increased by: Allowable Adjustments		
Extraordinary Aid		322,732
Nonpublic Transportation Aid		<u>28,710</u>
Maximum Unassigned Fund Balance		\$ <u>4,205,560</u>

**SECTION 2**

Total General Fund - Fund Balances at June 30, 2022 (Per CAFR Budgetary Comparison schedule/statement)		\$ 9,689,441
Decreased by:		
Year End Encumbrances	\$ 574,884	
Capital Reserve	1	
Excess Surplus - Designated for Subsequent Year's Expenditures	1,746,858	
Unemployment Compensation Reserve	632,599	
Designated for Subsequent Year's Expenditures	<u>2,302,901</u>	
		<u>5,257,243</u>
Total Unassigned Fund Balance		\$ <u>4,432,198</u>

**SECTION 3**

Restricted Fund Balance - Excess Surplus		\$ <u>226,638</u>
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**Recapitulation of Excess Surplus as of June 30, 2022**

Excess Surplus		\$ 226,638
Excess Surplus - Designated for Subsequent Year's Expenditures		<u>1,746,858</u>
Total Excess Surplus		\$ <u>1,973,496</u>

**GARFIELD BOARD OF EDUCATION  
ENCUMBRANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Encumbrances per the June 30, 2022**

**Board Secretary Report (Funds 11, 12, 13)**

**\$ 55,000**

<u>Description</u>	<u>Total by Category</u>	<u>Amount Properly Encumbered</u>	<u>Encumbrances Canc./Recl. Through Audit Adjustments</u>
Audit Services	\$ 55,000	\$ 55,000	-
Purchased Profesional Services			
Payroll			\$ -
Equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total Audited	<u>55,000</u>	<u>55,000</u>	<u>-</u>
Unaudited	<u>-</u>	<u>-</u>	<u>-</u>
Total Encumbrances	<u>55,000</u>	<u>55,000</u>	<u>-</u>
<b>Total Encumbrances Cancelled During the Audit</b>			<u>-</u>
<b>Sub-total Fund Balance Reserved for Encumbrances</b>			55,000
<b>Add: Accounts Payable reclassified to Encumbrances</b>			<u>519,884</u>
<b>Fund Balance Reserved for Encumbrances in the CAFR (Funds 11,12 and 13)</b>			<u><u>\$ 574,884</u></u>



**GARFIELD BOARD OF EDUCATION  
ENCUMBRANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Encumbrances per the June 30, 2022**

**Board Secretary Report (Funds 15) - No Encumbrances at year end** \$ -

<u>Description</u>	<u>Total by Category</u>	<u>Amount Properly Encumbered</u>	<u>Encumbrances Cancelled Through Audit Adjustments</u>	
Payroll		-	-	
		-	-	
		-	-	
		-	-	
		-	-	
	-	-	-	
Total Audited	-	-	-	
Unaudited	-	-	-	
Total Encumbrances	-	-	-	
<b>Total Encumbrances Cancelled During the Audit</b>				-
<b>Sub-total Fund Balance Reserved for Encumbrances in the CAFR</b>				-
<b>Add: Unrecorded Encumbrances</b>				-
<b>Fund Balance Reserved for Encumbrances in the CAFR (Fund 15)</b>				<u>\$ -</u>

**GARFIELD BOARD OF EDUCATION  
RECOMMENDATIONS**

**I. Administration Practices and Procedures**

There are none.

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

1. It is recommended that procedures be revised to ensure open purchase orders are reviewed at year end for proper classification and adjusted accordingly.

**III. School Purchasing Program**

- \* 2. It is recommended that all vendors paid in excess of the bid threshold be approved in the Board minutes.

**IV. Food Service Fund**

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

**V. Student Body Activities**

There are none.

**VI. Application for State School Aid**

There are none.

**VII. Pupil Transportation**

There are none.

**VIII. Facilities and Capital Assets**

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 on all, except the 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



Andrew D. Parente  
Public School Accountant  
PSA Number CS00224600