

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

**MIDLAND PARK BOARD OF EDUCATION  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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## INDEPENDENT AUDITORS' REPORT

Honorable President and Members  
of the Board of Education  
Midland Park Board of Education  
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Midland Park Board of Education, County of Bergen, as of and for the year ended June 30, 2022, and have issued our report thereon dated March 17, 2023.

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

This report is intended solely for the information and use of the Midland Park Board of Education's management and Board members and the New Jersey Department of Education and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*PKF O'Connor Davies, LLP*

Woodcliff Lake, New Jersey  
March 17, 2023

A handwritten signature in blue ink that reads "Gary Higgins".

Gary Higgins, CPA  
Licensed Public School Accountant, No. CS00814

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

**GENERAL COMMENTS**

**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 (the "ACFR").

**Official Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Stacy Garvey	Board Secretary/School Business Administrator	\$230,000

There is an employee dishonesty coverage with Selective Insurance Company of America covering all other employees with coverage of \$500,000 per loss and \$100,000 per employee.

**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) to be submitted for the year of the 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.

**Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment to the billings to sending districts for the adjustment in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f) 3.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under review did not reveal any discrepancies with respect to each of signatures, certifications or supporting documentation.

**MIDLAND PARK 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.

Our review of payroll records indicated that all payrolls tested were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding 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 District filed the required certification (E-CERT1) of compliance with requirements for income tax compensation of certain administrators with the NJ Department of Treasury by the March 15 due date.

**Employee Position Control Roster**

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

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

**Travel**

The Board of Trustees has adopted a travel policy that complies with N.J.S.A. 18A:11-2.

**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 a random sample, our sample also included new procedures required by the State Department of Education for specifically targeted 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, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**Board Secretary's Records**

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

The Board Secretary's and Board Designee's monthly financial reports were presented monthly to the Board on a timely basis and were submitted to the Executive County Superintendent as prescribed by N.J.S.A. 18A: 17-9 and 18A: 17-36.

All cash receipts were promptly deposited.

The prescribed contractual order system was followed.

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

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

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

Bank Reconciliations

The cash reconciliations for the general operating account, adult education account and payroll accounts were performed by the Board's designee in accordance with N.J.S.A. 18A:17-9.

The monthly records pertaining to cash reconciliations were in agreement with the records of the Board Secretary.

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 financial section (Special Revenue Fund) of the ACFR. This section of the ACFR documents the financial position pertaining to projects under Titles I, II and IV of the Elementary and Secondary Education Act, as amended.

Our examination of the Federal 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 District's special projects were approved as listed on Exhibits K-3 and K-4 located in the single audit section of the ACFR.

Other Special Federal and/or State Projects

Our examination of the other 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 ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

IDEA Part B

Separate accounting records were maintained for each approved project. Grant application 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 the expenditure charged to the current year's Final Reports for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

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

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

**Nonpublic State Aid**

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

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

The bid thresholds in accordance with N.J.S.A. 18A:18A-3(A) are \$44,000 (with a qualified purchasing agent) and \$32,000 (without a qualified purchasing agent), respectively. The District's Business Administrator is qualified and the District, by Board resolution has increased the bid threshold to \$44,000. The law regulating bidding for public school transportation contracts under N.J.S.A. 18A:39-3 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 contract 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 goods or service, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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.

**School Food Service**

**PUBLIC HEALTH EMERGENCY**

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency all Public, Charter, Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to 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.

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) or the Summer Food Service Program (SFSP) option. 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 through 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.

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

**School Food Service (Continued)**

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) has any Child Nutrition Program reimbursement overclaims. 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.

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

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 FSMS 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 statistical records of the school food services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications 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 and audited. All vendor discounts rebates and credits from vendors and/or FSMC were tracked and credited to the Food Service account and reconciled to supporting documentation at least annually.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified.

Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

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

Net cash resources did exceed three months average expenditures.

Exhibits reflecting Child Nutrition Program operations are included on Exhibits B-4, B-5 and B-6 of the District's ACFR.

**Student Body Activities**

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

Cash receipts and disbursements records for the student activity accounts 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 handicapped, low-income and bilingual. We also performed a review of the



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

**Application for State School Aid (Continued)**

District procedures related to its completion. The results of our procedures revealed immaterial differences and are presented in the Schedule of Audited enrollments.

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

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

**Pupil Transportation**

Our audit procedures included a test of on-roll status reported in the 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 with no exceptions. Transportation Aid was not tested as a major program, therefore the DRTRS was not selected for testing.

**Facilities and Capital Assets**

The District had no SDA grant activity during the fiscal year. We reviewed transactions relating to the Capital Reserve account without exception.

The District maintained detail capital assets financial records.

**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 did submit 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.

**ACKNOWLEDGEMENT**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

**MIDLAND PARK BOARD OF EDUCATION  
FOOD SERVICE FUND  
SCHEDULE OF MEAL COUNT ACTIVITY  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**NET CASH RESOURCE SCHEDULE**

**Net cash resources did not exceed three months of expenditures  
Proprietary Funds - Food Service  
FYE 2022**

		<b>Food Service B - 4/5</b>	
<b><u>Net Cash Resources:</u></b>			
<b>ACFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 101,500
B-4		Due from Other Gov'ts	29,908
B-4		Due from Other Funds	
B-4		Investments	
<b>ACFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(21,775)
B-4		Less Accruals	(3,537)
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	<u>(9,230)</u>
		<b>Net Cash Resources</b>	<b><u><u>\$ 96,866</u></u></b> (A)

**Net Adj. Total Operating Expense:**

B-5		Tot. Operating Exp.	542,249
B-5		Less Depreciation	<u>(6,369)</u>
		Adj. Tot. Oper. Exp.	<b><u><u>\$ 535,880</u></u></b> (B)

**Average Monthly Operating Expense:**

B / 10		<b><u><u>\$ 53,588</u></u></b> (C)
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**Three times monthly Average:**

3 X C		<b><u><u>\$ 160,764</u></u></b> (D)
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TOTAL IN BOX A	\$ 96,866
LESS TOTAL IN BOX D	\$ 160,764
NET	<b><u><u>(63,898)</u></u></b>
From above:	
<b>A is greater than D, net cash resources exceeds 3 X average monthly operating expenses.</b>	
<b>D is greater than A, net cash resources does not exceed 3 X average monthly operating expenses.</b>	

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

SOURCE - USDA resource management comprehensive review form

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

	2021-2022 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					
Half Day Preschool 3 Years Old	3		3		-	-	1		1		-	-				-	
Half Day Preschool 4 Years Old	7		7		-	-	2		2		-	-				-	
Full Day Preschool 3 Years Old																-	
Full Day Preschool 4 Years Old	3		3				1		1		-	-				-	
Half Day Kindergarten																-	
Full Day Kindergarten	68		68		-	-	18		18		-	-				-	
Grade 1	64		64		-	-	17		17		-	-				-	
Grade 2	53		53		-	-	14		14		-	-				-	
Grade 3	66		66		-	-	18		18		-	-				-	
Grade 4	54		54		-	-	15		15		-	-				-	
Grade 5	55		55		-	-	15		15		-	-				-	
Grade 6	57		57		-	-	15		15		-	-				-	
Grade 7	48		48		-	-	13		13		-	-				-	
Grade 8	59		59		-	-	16		16		-	-				-	
Grade 9	38	1	38	1	-	-	10		10		-	-				-	
Grade 10	40	2	40	2	-	-	11	1	11	1	-	-				-	
Grade 11	35	1	35	1	-	-	9		9		-	-				-	
Grade 12	60		60		-	-	16		16		-	-				-	
Post- Graduate																	
Adult High School (15+ Credits)																	
Adult High School (1-14 Credits)																	
Subtotal	710	4	710	4	-	-	191	1	191	1	-	-	-	-	-	-	-
Sp Ed - Elementary	73		73		-	-	20		20		-	-	3	2	2	-	
Sp Ed - Middle School	39		39		-	-	10		10		-	-	1	1	1	-	
Sp Ed - High School	38		38		-	-	10		10		-	-	12	11	11	-	
Subtotal	150	-	150	-	-	-	40	-	40	-	-	-	16	14	14	-	
County Vocational - Regular																	
County Vocational - F.T. Post-Second																	
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	860	4	860	4	-	-	231	1	231	1	-	-	16	14	14	-	
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%	

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

	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	Sample Errors	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Half Day Preschool 3 Years Old												
Half Day Preschool 4 Years Old												
Full Day Preschool 3 Years Old												
Full Day Preschool 4 Years Old	1	1		1	1							
Half Day Kindergarten												
Full Day Kindergarten	1	1	-	1	1	-						
Grade 1	5	5	-	4	4	-	1	1	-	1	1	-
Grade 2	1	1	-	1	1	-						
Grade 3	2	2	-	2	2	-						
Grade 4	1	1	-	1	1	-						
Grade 5	2	2	-	1	1	-						
Grade 6			-			-						
Grade 7	1	1	-	1	1	-						
Grade 8	3	3	-	3	3	-						
Grade 9	2	2	-	2	2	-						
Grade 10	3	3	-	2	1	1						
Grade 11	3	3	-	3	2	1						
Grade 12	2	2	-	2	2	-						
Post- Graduate												
Adult High School (15+ Credits)												
Adult High School (1-14 Credits)												
<b>Subtotal</b>	<b>27</b>	<b>27</b>	<b>-</b>	<b>24</b>	<b>22</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>
Sp Ed - Elementary	6	6	-	4	4	-	1	1		1	1	
Sp Ed - Middle School	3	3	-	3	3	-						
Sp Ed - High School	4	4	-	3	3	-						
<b>Subtotal</b>	<b>13</b>	<b>13</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>
<b>Totals</b>	<b>40</b>	<b>40</b>	<b>-</b>	<b>34</b>	<b>32</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>-</b>
Percentage Error			<u>0.00%</u>			<u>5.88%</u>			<u>0.00%</u>			<u>0.00%</u>

	Transportation			Tested	Verified	Errors
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors			
Reg. - Public Schools	13	13	-			-
Transported - Non Public			-			-
Regular - Special Ed	5	5	-			-
Special Needs	34	34	-			-
<b>Totals</b>	<b>52</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

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

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Test Score and Register	Errors
Half Day Preschool 3 Years Old						
Full Day Preschool 3 Years Old						
Half Day Preschool 4 Years Old						
Full Day Preschool 4 Years Old						
Half Day Kindergarten						
Full Day Kindergarten						-
Grade 1	2	2	-	2	2	-
Grade 2	3	3	-	2	2	
Grade 3						
Grade 4	3	3	-	3	3	-
Grade 5						-
Grade 6						-
Grade 7						
Grade 8						-
Grade 9						
Grade 10						
Grade 11						-
Grade 12						
Post- Graduate						
Adult High School (15+ Credits)						
Adult High School (1-14 Credits)						
Subtotal	8	8	-	7	7	-
Sp Ed - Elementary	1	1		1	1	
Sp Ed - Middle School						
Sp Ed - High School						
Subtotal	1	1	-	1	1	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal						
Totals	9	9	-	8	8	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**MIDLAND PARK BOARD OF EDUCATION**

**EXCESS SURPLUS CALCULATION**

**JUNE 30, 2022**

**SECTION 1 - Regular District**

**B. 2% Calculation of Excess Surplus**

2021-22 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 28,084,858	(B)
Increased by Applicable Operating Transfers:		
Transfer to Food Service Fund	\$ -	(B1a)
Transfer from Capital Outlay to Capital Projects Fund	\$ -	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ 263,294	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ -	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ -	(B1d)
Decreased by:		
On-Behalf TPAF Pension, Post-Retirement Contributions, Long-Term Disability Insurance and Social Security	\$ 5,036,191	(B2a)
Assets Acquired Under Capital Leases	\$ -	(B2b)
Adjusted 2021-22 General Fund Expenditures [(B) + (B1s) - (B2s)]	\$ 23,311,961	(B3)
2% of Adjusted 2021-22 General Fund Expenditures [(B3) times .02]	\$ 466,239	(B4)
Enter Greater of (B4) or \$250,000	\$ 466,239	(B5)
Increased by: Allowable Adjustment*	\$ 606,293	(K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(B5) + (K)]	\$ 1,072,532	(M)

**SECTION 2**

Total General Fund - Fund Balances at 6-30-2022 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 5,585,374	(C)
Decreased by:		
Year-end Encumbrances	\$ 374,016	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 275,000	(C3)
Other Restricted Fund Balances****	\$ 3,588,826	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ -	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ 1,347,532	(U1)

**MIDLAND PARK BOARD OF EDUCATION**

**EXCESS SURPLUS CALCULATION**

**JUNE 30, 2022**

**SECTION 3**

Restricted Fund Balance - Excess Surplus \*\*\*  
 [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 275,000 (E)

**Recapitulation of Excess Surplus as of June 30, 2022**

Reserved Excess Surplus - Designated for Subsequent Year's  
 Expenditures \*\* \$ 275,000 (C3)  
 Reserved Excess Surplus \*\*\* [(E)] \$ 275,000 (E)  
  
 Total Excess Surplus [(C3)+(E)] \$ 550,000 (D)

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

(H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve – General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);

- (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
- (J1) Extraordinary Aid;
- (J2) Additional Nonpublic School Transportation Aid;
- (J3) Recognized current year School Bus Advertising Revenue; and
- (J4) Family Crisis Transportation Aid.
- (J5) Maintenance of Equity Aid and State Military Impact Aid received July 2022.

**Detail of Allowable Adjustments**

Impact Aid	\$ <u>                    </u> - (H)
Sales & Lease-back	\$ <u>                    </u> - (I)
Extraordinary Aid	\$ <u>606,293</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>                    </u> - (J2)
Current Year School Bus Advertising Revenue Recognized	\$ <u>                    </u> - (J3)
Family Crisis Transportation Aid	\$ <u>                    </u> - (J4)
Maintenance of Equity Aid and State Military Impact Aid	\$ <u>                    </u> - (J5)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	 \$ <u>606,293</u> (K)

\*\* This amount represents the June 30, 2022 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amount must agree to the June 30, 2022 ACFR and must agree to Audit Summary Worksheet Line 90030.

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



MIDLAND PARK BOARD OF EDUCATION

EXCESS SURPLUS CALCULATION

JUNE 30, 2022

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 3,375,429
Maintenance reserve	\$ -
Emergency reserve	\$ -
Tuition reserve	\$ -
School bus advertising 50% fuel offset reserve - current year	\$ -
School bus advertising 50% fuel offset reserve - prior year	\$ -
Impact Aid General Fund Reserve	\$ -
Impact Aid Capital Fund Reserve	\$ -
Other state/government mandated reserves	\$ -
Reserve for unemployment	\$ 62,362
Other Restricted Fund Balance not noted above	\$ 151,035
Total Other Restricted Fund Balance	\$ 3,588,826 (C4)

## MIDLAND PARK BOARD OF EDUCATION

### RECOMMENDATIONS

- I. Administrative Practices and Procedures  
There are none.
- II. Financial Planning, Accounting and Reporting  
There are none.
- III. School Purchasing Program  
There are none.
- IV. School Food Services  
There are none.
- 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. Status of Prior Year Findings/Recommendations  
There were no prior year recommendations.