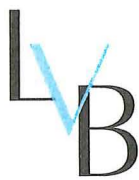


**NEW MILFORD BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2022**

**NEW MILFORD BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and
Members of the Board of Education
New Milford Board of Education
145 Madison Avenue
New Milford, New Jersey 07646

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 New Milford Board of Education as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated March 14, 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 solely for the information and use of management, the Board of Education, others within the District and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
March 14, 2023

**NEW MILFORD 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 the Insurance Schedule (Exhibit J-20) included in the District's Annual Comprehensive Financial Report (ACFR).

Officials Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Stephanie Kuchar	School Business Administrator/ Board Secretary	\$300,000
Kelly Ippolito	Treasurer of School Monies	\$300,000

There is Public Employee Dishonesty coverage with Great American Insurance Company, with a limit of \$100,000 per employee and \$500,000 per loss.

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.

Tuition Charges

The District's tuition contracts specify that tuition charges are not subject to annual tuition adjustment.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

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

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

**NEW MILFORD 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 (Continued)

Salary withholdings were promptly remitted to the proper agencies, including health benefit withholdings due to other funds.

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

The School Business Administrator completed and filed the required Certificates of Compliance with federal and state law with respect to the reporting of compensation for certain employees.

- **Finding 2022-1** – A payroll deduction ledger was not currently maintained by the District to account for the payroll deduction transactions by their respective categories.

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

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 reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6:A23-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, no material transaction errors were noted and therefore, no additional procedures were deemed necessary to test the propriety of expenditure classification.

Travel

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

Board Secretary's Records

The financial records, books of account and minutes were maintained by the School Business Administrator/Board Secretary.

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

The prescribed contractual order system was followed.

We noted eleven (11) budget line accounts were overexpended at June 30, 2022. The total amount overexpended was \$73,302, and were a result of adjustments made during the audit. No recommendation is warranted since this is a result from audit adjustments. The overexpended amounts were offset with other available resources.

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

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records (Continued)

- **Finding 2022-2** - Our audit revealed the financial activity of the Food Service Enterprise Fund is not recorded in the District's financial accounting and reporting system.

Recommendation – The financial transactions of the Food Service Enterprise Fund be recorded and reported in the District's financial accounting and reporting system.

Treasurer's Records

The Treasurer did perform cash reconciliations for all District accounts. (N.J.S.A. 18A:17-36).

All cash receipts were promptly deposited.

The Treasurer's records agreed with the records of the Board Secretary.

The Treasurer's cash balances agreed with the reconciled cash balances as determined during the audit.

- **Finding 2022-3**– Several of the district's bank reconciliations contain numerous reconciling items including amounts transferred between District bank accounts. In addition, one account reflected on the Treasurer's report is invalid.

Recommendation – Reconciling items on the District's bank reconciliations be reviewed and cleared of record in a timely manner.

Unemployment Compensation Insurance Account

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Account. The financial transactions of this fund are reported in the General Fund.

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

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the ACFR. The section of the ACFR documents the financial position pertaining to projects under Title I, Title II and Title III of the Elementary and Secondary Education Act as amended.

Our examination of the E.S.E.A. funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

I.D.E.A. Part B

Separate accounting records were maintained for each approved project.

Grant application approvals and acceptance of grant funds were made by Board resolution.

**NEW MILFORD 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.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 and Exhibit K-4 located in the ACFR.

Our examination 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 contained herein represent a true statement of the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

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 Report for all federal awards for the school district to reimburse the State for the TPAF Social Security 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.

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-3A are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$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 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.

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

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114 P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that purchases were authorized to be made through the use of State contracts.

- **Finding 2022-4** – We noted contracts were awarded in excess of the bid threshold where there was no documentation provided to support publicly advertised bids were sought in accordance with the requirements of the Public School Contracts Law (N.J.S.A. 18A:18A). In addition, we noted contracts for services rendered in excess of the bid threshold that were not approved by Board resolution and made part of the official minutes in all instances in accordance with N.J.S.A. 18A:18A-4.

Recommendation – Greater care be exercised to ensure all contract awards and purchases which exceed the bid threshold are procured in accordance with the requirements of the Public School Contracts Law.

School Food Services

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 selected and audited as a major federal program in accordance with Uniform Guidance.

The financial transactions and records of the school food services were maintained in good condition. The financial accounts and records were reviewed on a test-check basis. Cash receipts and bank records were reviewed for timely deposits. 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

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

School Food Services (Continued)

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 an operating results provision which guarantees that the food service program will have no cost or breakeven food service operation, including the management fee. The operating results provision has been met for the current fiscal year.

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

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 Districts deposited program monies and made expenditures in accordance with N.J.S.A. 18A:17-34. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

- **Finding 2022-5** – Our audit revealed the Food Service Fund net cash resources exceeded three months of average expenses at June 30, 2022.

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

The number of meals claimed for reimbursement were compared to meal count records. As part of the claims review process the edit check worksheet was completed. We noted an immaterial difference in our testing of meals claimed and meal count records.

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 was maintained on a first-in, first-out basis.

The Statement of Revenues, Expenses, and Changes in Fund Net Position (ACFR 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.

Other Enterprise Funds

Latch Key Programs, Broadway Kids Summer, After School Enrichment Program and Summer Music Program

The District provides a before and after school child care program, a summer enrichment program and an after school enrichment program for district students. The accounting records maintained for the programs were in satisfactory condition.

Student Activity Funds

The Board has a policy which clearly established the regulation of student activity funds. Limited activity was noted in the current year in the elementary school account.

Cash receipts and disbursement records were maintained in good condition.

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

Student Activity Funds (Continued)

- **Finding 2022-6** – Pre-numbered receipt tickets were not utilized for monies collected in the Elementary, Middle School or High School Student Activity accounts.

Recommendation – Pre-numbered receipt tickets be utilized for monies collected in all District student activity accounts.

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 education. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with immaterial exceptions noted. The information that was included on the workpapers was verified with immaterial exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 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 information on the DRTRS was compared to the district workpapers with immaterial exceptions noted. 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 State School Development Authority (SDA) grant projects during the year.

- **Finding 2022-7** – Our audit of capital assets revealed that balances per the district's capital asset inventory report are not in agreement with the audit balances. In addition, prior year and current year additions were not always reported at the correct amount.

Recommendation – The capital asset report be reviewed, accurately reported and reconciled to audit balances.

Testing for Lead of all Drinking Water in Educational Facilities

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

Follow-up on Prior Year Findings

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

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

SCHEDULE OF MEAL COUNT ACTIVITY

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>
National School Lunch	SSO	<u>239,420</u>	<u>100,207</u>	<u>100,207</u>	<u>-</u>

**NEW MILFORD BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Current Assets

Cash and Cash Equivalents	\$	534,760
Due from Other Governments		81,191
Accounts Receivable		1,403
Due from Other Funds		43,440

Current Liabilities

Accounts Payable		(96,261)
Unearned Revenue		(19,057)

Net Cash Resources \$ 545,476

Adjusted Total Operating Expenses:

Total Operating Expenses	\$	1,000,369
Less Depreciation		(22,121)

Adjusted Total Operating Expenses \$ 978,248

Average Monthly Operating Expenses: \$ 97,825

Three Times Monthly Average: \$ 293,474

Total Net Cash Resources	\$	545,476
Three Times Monthly Average		(293,474)

Excess Net Cash Resources \$ 252,002

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

	2022-2023 Application for State School Aid						Sample for Verification						Private Schools for Disabled					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Reported on		Sample			
	A.S.S.A.		Workpapers				Selected from		Register		Registers		A.S.S.A. as		for			
	On Roll		On Roll		Workpapers		On Roll		On Roll		On Roll		Private		Verifi-			
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	cation	Sample	Sample	
Full Day Preschool 3 Years Old	6		6					6		6								
Full Day Preschool 4 Years Old	12		12					12		12								
Half Day Kindergarten																		
Full Day Kindergarten	133		133					69		69								
Grade 1	150		150					84		84								
Grade 2	143		143					71		71								
Grade 3	155		155					77		77								
Grade 4	117		117					57		57								
Grade 5	120		120					60		60								
Grade 6	121		121					121		121								
Grade 7	127		127					127		127								
Grade 8	124		124					124		124								
Grade 9	131		131					131		131								
Grade 10	110		110					110		110								
Grade 11	117	1	117	1				117		117								
Grade 12	137	1	137	1				137		137								
Subtotal	1,703	2	1,703	2	-	-	-	1,303	-	1,303	-	-	-	-	-	-	-	-
Sp Ed - Elementary	145		145				-	25		25		-	-	3	3	3	-	
Sp Ed - Middle School	94		94					16		16		-	-	3	3	2	1	
Sp Ed - High School	112	2	112	2	-	-		19		19		-	-	7	7	7	-	
Subtotal	351	2	351	2	-	-		60	-	60	-	-	-	13	13	12	1	
Totals	2,054	4	2,054	4	-	-		1,363	-	1,363	-	-	-	13	13	12	1	
Percentage Error					0.00%	0.00%						0.00%	0.00%				7.69%	

NEW MILFORD BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID
 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	Sample Verified	Sample Errors	Reported ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Verified to Sample Selected	Test Score and Registe	Errors	
	Full Day Preschool 3 Years Old												
Full Day Preschool 4 Years Old													
Half Day Kindergarten													
Full Day Kindergarten		19	19	4	4		5	5		4	4		
Grade 1		23	23	4	4		1	1		1	1		
Grade 2		16	16	3	3		1	1		1	1		
Grade 3		25	25	5	5		2	2		2	2		
Grade 4		21	21	4	4		2	2		2	2		
Grade 5		24	24	5	5		2	2		1	1		
Grade 6		21	21	4	4		1	1		1	1		
Grade 7		21	21	4	4		1	1		1	1		
Grade 8		16	16	3	3		1	1		1	1		
Grade 9		21	21	4	4								
Grade 10		16	16	3	3								
Grade 11		20	20	4	4								
Grade 12		16	16	3	3								
Subtotal		259	259	-	50	50	-	16	16	-	14	14	-
Sp Ed - Elementary		21	21	-	4	4	-						
Sp Ed - Middle School		11	11	-	2	2	-						
Sp Ed - High School		23	23	-	4	4	-						
Subtotal		55	55	-	10	10	-	-	-	-	-	-	-
Totals		314	314	-	60	60	-	16	16	-	14	14	-
Percentage Error			0.00%			0.00%			0.00%		0.00%		

	Transportation					
	Reported on DRTRS by DOE / County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
	Reg. - Public Schools	43	43	-	14	14
Regular - Special Ed	88	88	-	26	23	3
Transported Non-Public	10	10	-	3	3	-
Special Ed Spec	21	21	-	6	6	-
Subtotal	162	162	-	49	46	3
Percentage Error			0%			6%

NEW MILFORD 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 Application	Errors
Half Day Preschool 4 Years Old						
Full Day Preschool 4 Years Old						
Half Day Kindergarten						
Full Day Kindergarten	6	6		5	5	
Grade 1	8	8		7	7	
Grade 2	5	5		4	4	
Grade 3	4	4		3	3	
Grade 4	4	4		3	3	
Grade 5	1	1		1	1	
Grade 6	3	3		3	3	
Grade 7	1	1		1	1	
Grade 8	1	1		1	1	
Grade 9	2	2		1	1	
Grade 10	2	2		2	2	
Grade 11	1	1		1	1	
Grade 12	2	2		2	2	
Subtotal	40	40	-	34	34	-
Sp Ed - Elementary	1	1		1	1	
Sp Ed - Middle School						
Sp Ed - High School			-			-
Subtotal	1	1	-	1	1	-
Totals	41	41	-	35	35	-
Percentage Error			<u>0%</u>			<u>0%</u>

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

2021-2022 Total General Fund Expenditures (Budgetary Basis)	\$ 48,681,627
Increased by:	
Transfers to Special Revenue Fund	98,710
	48,780,337
Decreased by:	
Assets Acquired Under Capital Leases	(171,126)
Non-Budget Expense Charged with Insurance Proceeds	(138,130)
On-Behalf TPAF Pension & Social Security	(8,532,854)
Adjusted 2021-2022 General Fund Expenditures	\$ 39,938,227
4% of Adjusted 2021-2022 General Fund Expenditures	\$ 1,597,529
Enter Greater of 4% of Adjusted 2021-2022 General Fund Expenditures or \$250,000	\$ 1,597,529
Increased by Allowable Adjustments*	632,141
Maximum Unassigned Fund Balance	\$ 2,229,670
Total General Fund - Fund Balance at June 30, 2022	\$ 10,038,560
Decreased by:	
Restricted	
Capital Reserve	3,217,280
Maintenance Reserve	641,684
Emergency Reserve	400,324
Unemployment Compensation Reserve	74,941
Excess Surplus - Designated for Subsequent Year's Expenditures	1,567,844
Assigned	
Designated for Subsequent Year's Expenditures	259,511
Insurance Recovery Expenditures	22,727
Year-End Encumbrances	189,659
Total Unassigned Fund Balance	\$ 3,664,590
Restricted Fund Balance - Excess Surplus	\$ 1,434,920
<u>Recapitulation of Excess Surplus</u>	
Excess Surplus	\$ 1,434,920
Excess Surplus - Designated for Subsequent Year's Expenditures	1,567,844
	\$ 3,002,764
* <u>Detail of Allowable Adjustment (Unbudgeted Revenues)</u>	
Extraordinary Aid	\$ 559,103
Nonpublic School Transportation	73,038
	\$ 632,141

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

RECOMMENDATIONS

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. The District implement and currently maintain a payroll deduction ledger by individual deduction category.

* 2. The financial transactions of the Food Service enterprise fund be recorded and reported in the District's financial accounting and reporting system.

* 3. Reconciling items on the District's bank reconciliations be reviewed and cleared of record in a timely manner.

III. School Purchasing Program

* 4. It is recommended that greater care be exercised to ensure all contract awards and purchases which exceed the bid threshold are procured in accordance with the requirements of the Public School Contracts Law.

IV. School Food Services

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

V. Latch Key/Broadway Kids Summer/After School Enrichment Programs/Summer Music Programs

There are none.

VI. Student Body Activities

6. It is recommended that pre-numbered receipt tickets be utilized for monies collected in all District student activity accounts.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

7. It is recommended that the capital asset report be reviewed, accurately reported and reconciled to audit balances.

X. Miscellaneous

There are none.

XI. Status of Prior Year's Audit Findings/Recommendations

A review was performed on all prior year recommendations. Correction action was taken on all prior year recommendations except the items 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 the members of the audit team.