

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

**UPPER SADDLE RIVER BOARD OF EDUCATION  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS  
- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and Members  
of the Board of Education  
395 West Saddle River Road  
Upper Saddle River, New Jersey 07458

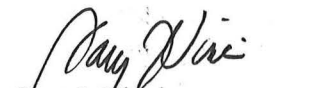
We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Upper Saddle River Board of Education as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated January 30, 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, Members of 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.

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  
January 30, 2023

**UPPER SADDLE RIVER 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, 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 contained in Exhibit J-20 of the District's Annual Comprehensive Financial Report (the "ACFR").

**Official Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Dana Imbasciani	Board Secretary/School Business Administrator	\$ 50,000
Jennifer Pfohl	Treasurer of School Monies	250,000

**P.L. 2020, c.44**

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

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

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

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

**Payroll Account**

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of payroll taxes were deposited in the Payroll Agency Account.

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

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholdings due to the general fund.

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.

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

**UPPER SADDLE RIVER 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, a sample of the 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. 6A-23(A-16.2(f) 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:23A-8.3.

The Reynolds Elementary School Window Replacement Project expenditures were charged to Capital Outlay (Fund 12) rather than the Capital Projects Fund. An audit adjustment has been made to reclassify these expenditures to the Capital Projects Fund.

Board Secretary's Records

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

The prescribed contractual order system was followed.

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

Bids received are summarized in the minutes.

Treasurer's Records

The Treasurer's June 30, 2022 report was in agreement with the records of the Board Secretary.

The Treasurer did perform cash reconciliations for the general operating account, payroll account and payroll agency account (N.J.S.A. 18A:17-36).

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. This section of the ACFR documents the financial position pertaining to projects under Title I, II, and IV Immigrant of the Elementary and Secondary Education Act as amended and reauthorized.

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

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

Other Special Federal and/or Local Projects

The District's Special Revenue Fund Grants are reported on Exhibits K-3 and K-4 located in the ACFR.

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

Teacher's Pension and Annuity Fund (TPAF)

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.

The amount of the expenditure charged to the current year's final report for Title I 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 ninety day grant liquidation period as 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 (as amended) and 18A:18A-3 are \$44,000 (with a qualifying purchasing agent) and \$32,000 (without a qualifying 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 appointed the School Business Administrator as a qualified purchasing agent.

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 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.

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

**Finding (2022-01)** – Our audit revealed that the District entered into a National Co-op contract for the acquisition of HVAC equipment. The State has issued regulations that must be followed when procuring equipment through a National Cooperative. These required procedures were not adhered to.

**Recommendation** – It is recommended that the District comply with the procurement regulations when awarding a contract through a National Cooperative.

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

**School Food Service**

The financial transactions and statistical records of the school food services were maintained in good condition.

Cash receipts and bank records were reviewed for timely deposits.

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

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.

The District does not participate in the State Child Nutrition Program.

**Student Activity/Learning Enrichment Activities Program (LEAP)/After Care Experience (ACE)**

The Board has a policy which clearly established the regulation of student activity, LEAP and ACE Programs.

Cash receipts and disbursements records of the Student Activity, LEAP Program and ACE Program 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 disabled, low-income and bilingual students. 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 without exceptions noted. The information that was included on the workpapers was verified with minor exceptions noted. 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 with no 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.

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

**Facilities and Capital Assets**

Our procedures included a review of the activity of the capital reserve account.

**Miscellaneous**

The school district has complied with continuing disclosure agreements made in relation to the District's outstanding bond issuances.

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).

**Suggestions to Management**

The District currently outsources to an independent appraisal company the recordkeeping of the capital asset additions and deletions. Consideration be given to maintain within the District's accounting records the respective capital asset ledgers.



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

**Not Applicable -  
The District Is Not Subject  
To A Federal Single Audit**

**FOOD SERVICE FUND  
SCHEDULE OF NET CASH RESOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Not Applicable –  
The District Is Not Subject  
To A Federal Single Audit**

**UPPER SADDLE RIVER BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
SCHEDULE OF AUDITED ENROLLMENTS  
OCTOBER 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		Sample Selected from Workpapers		Reported on Workpapers 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 - 3 years	7		7		-	-	7		9		(2)	-				
Half Day Preschool - 4 years	7		7		-	-	7		5		2	-				
Full Day Kindergarten	100		100		-	-	100		100		-	-				
1st Grade	111		111		-	-	111		111		-	-				
2nd Grade	101		101		-	-	101		101		-	-				
3rd Grade	85		85		-	-	85		85		-	-				
4th Grade	118		118		-	-	118		118		-	-				
5th Grade	86		86		-	-	86		86		-	-				
6th Grade	100		100		-	-	100		100		-	-				
7th Grade	126		126		-	-	126		126		-	-				
8th Grade	129		129		-	-	129		129		-	-				
<b>Subtotal</b>	<b>970</b>	<b>-</b>	<b>970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>970</b>	<b>-</b>	<b>970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Spec Ed - Elementary	100		100		-	-	35		35		-	-	2	3	3	-
Spec Ed - Middle School	48		48		-	-	48		48		-	-	4	4	4	-
<b>Subtotal</b>	<b>148</b>	<b>-</b>	<b>148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83</b>	<b>-</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>-</b>
<b>Totals</b>	<b>1,118</b>	<b>-</b>	<b>1,118</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,053</b>	<b>-</b>	<b>1,053</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>-</b>
<b>Percentage Error</b>					<b>0.00%</b>						<b>0.00%</b>					<b>0.00%</b>

**UPPER SADDLE RIVER BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
SCHEDULE OF AUDITED ENROLLMENTS  
OCTOBER 15, 2021**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Pre-School (3 Yrs)												
Half Day Pre-School (4 Yrs)												
Full Day Kindergarten												
1st Grade												
2nd Grade												
3rd Grade												
4th Grade												
5th Grade												
6th Grade												
7th Grade												
8th Grade			-			-						-
<b>Subtotal</b>	-	-	-	-	-	-	-	-	-	-	-	-
Spec Ed - Elementary			-			-						-
Spec Ed - Middle School			-			-						-
<b>Subtotal</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>	-	-	-	-	-	-	-	-	-	-	-	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

	Transportation			Tested	Verified	Errors
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors			
Regular - Public Schools	140	140	-	43	43	-
Regular - Spec.	16	16	-	5	5	-
Special Needs - Public	12	12	-	4	4	-
<b>Totals</b>	168	168	-	52	52	-
			0.00%			0.00%

**UPPER SADDLE RIVER BOARD OF EDUCATION  
 APPLICATION FOR STATE SCHOOL AID  
 SCHEDULE OF AUDITED ENROLLMENTS  
 OCTOBER 15, 2021**

	<u>Resident LEP Not Low Income</u>			<u>Sample for Verification</u>		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Register	Sample Errors
Half Day Pre-School (3 Yrs)						
Half Day Pre-School (4 Yrs)						
Full Day Kindergarten						
1st Grade						
2nd Grade						
3rd Grade						
4th Grade						
5th Grade						
6th Grade						
7th Grade						
8th Grade			-			-
<b>Subtotal</b>	-	-	-	-	-	-
Spec Ed - Elementary			-			-
Spec Ed - Middle School			-			-
<b>Subtotal</b>	-	-	-	-	-	-
<b>Totals</b>	-	-	-	-	-	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

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

2021-2022 Total General Fund Budgetary Expenditures		\$ 29,844,179
Increased by:		
Transfer to Capital Projects Fund		<u>720,000</u>
		30,564,179
Decreased by:		
On-Behalf TPAF Pension & Social Security		<u>(5,545,301)</u>
Adjusted 2021-2022 General Fund Expenditures		<u>\$ 25,018,878</u>
4% of Adjusted 2021-2022 General Fund Expenditures		\$ 1,000,755
Increased by Allowable Adjustments		
Extraordinary Aid	\$ 705,901	
Nonpublic School Transportation Aid	<u>10,440</u>	
		<u>716,341</u>
Maximum Unreserved/Undesignated Fund Balance		<u>\$ 1,717,096</u>
Total General Fund - Fund Balance (Budgetary Basis) at June 30, 2022		\$ 9,084,353
Decreased by:		
Encumbrances	\$ 169,443	
Excess Surplus - Designated for Subsequent Year's (2022/23) Budget	1,223,526	
Capital Reserve	2,565,272	
Capital Reserve - Designated for Subsequent Year's (2022/23) Budget	350,000	
Maintenance Reserve	750,000	
Unemployment Compensation Reserve	<u>200,337</u>	
		<u>5,258,578</u>
Total Unreserved/Undesignated Fund Balance		<u>\$ 3,825,775</u>
Fund Balance - Excess Surplus		<u>\$ 2,108,679</u>
Recapitulation of Restricted Excess Surplus, June 30, 2022		
Excess Surplus, Designated for Subsequent Year's (2022/23) Budget		\$ 1,223,526
Excess Surplus		<u>2,108,679</u>
		<u>\$ 3,332,205</u>

**UPPER SADDLE RIVER 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**

1. It is recommended that the District comply with the procurement regulations when awarding a contract through a National Cooperative.

**IV. School Food Services**

There are none.

**V. Student Body Activities/LEAP Enrichment and A.C.E. Programs**

There are none.

**VI. Application for State School Aid**

There are none.

**VII. Pupil Transportation**

There are none.

**VIII. Miscellaneous**

There are none.

**IX. Facilities and Capital Assets**

There are none.

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

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