

**AUDITORS MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
SCHOOL DISTRICT OF THE
BOROUGH OF WOODLAND PARK
COUNTY OF PASSAIC, NEW JERSEY
JUNE 30, 2022**

AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE

SCHOOL DISTRICT OF THE BOROUGH OF WOODLAND PARK
COUNTY OF PASSAIC, NEW JERSEY

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WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkottz, CPA, RMA, PSA
Matthew B. Wielkottz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
James J. Cerullo, CPA, RMA, PSA
Kari Ferguson, CPA, RMA, CMFO, PSA
Robert C. McNinch, CPA, CFE, PSA
Kevin Reeves, CPA, PSA

401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
Phone: (973)-835-7900
Fax: (973)-835-7900
Email: office@w-cpa.com
www.w-cpa.com

REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Borough of Woodland Park School District
County of Passaic, 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 Board of Education of the Borough of Woodland Park School District in the County of Passaic for the year ended June 30, 2022, and have issued our report thereon dated January 4, 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 for the information of the Borough of Woodland Park Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Wielkottz + Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 4, 2023



**ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, 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 Exhibit J-20, Insurance Schedule contained in the district's ACFR.

Officials Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Paul Murphy	Board Secretary/School Business Administrator	\$225,000.00
Heather Barkenbush	Treasurer	225,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond with The Selective Insurance Co. covering all other employees with multiple coverage of \$5,000.00.

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, certification or proper 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 were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/School Business Administrator and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the General Fund.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents, and business administrator) to the NJ Department of Treasury was filed by the March 15 due date.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

Position Control Roster

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

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.

Financial Planning, Accounting and Reporting, (continued)

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A: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 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, a transaction error rate of 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

The Board Secretary's records were found to be in good condition.

Finding 2022-01: State Aid revenue/receipts were not posted to the correct Fund revenue line item accounts in the general ledger .

Recommendation: That all revenue/receipts be posted to the correct Fund revenue line item accounts in the General Ledger.

Finding 2022-02: State Aid debit/credit memo's for State Aid deductions for debt service assessment, County special service tuition and Commission for Blind services were not posted to the state aid receivable and budget appropriation accounts.

Recommendation: That all State Aid debit/credit memo's be posted to the state aid receivable and budget appropriation accounts.

Fixed Assets

The general fixed asset records were updated for the additions and disposals of general fixed assets made during the year.

Treasurer's Records

Treasurer's records were examined and found to be in good condition.

Financial Planning, Accounting and Reporting, (continued)

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

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

The study of compliance for E.S.E.A. indicated that there were no areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

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

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

The study of compliance for the special projects indicated that there were no areas of noncompliance.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) 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 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

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term 'competitive contracting', which is defined as "the method described

School Purchasing Programs, (continued)

in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received.” Also, subsection (aa) defines the term ‘concession’ to exclude vending machines.

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a “Qualified Purchasing Agent” (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

Contracts and Agreements Requiring Advertisement for Bids, (continued)

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. “In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted.”

Effective July 1, 2020 and thereafter, 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 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 contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, amended.

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

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 alternative 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 State Department of Agriculture's federal waiver continued through June 30, 2022. Food Service agencies operated under this federal waiver. As a result, School Food Service Activities (SFAs) 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.

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 students during the emergency.

The financial transactions and statistical records of the School Food Service Fund were maintained in satisfactory condition. The financial accounts, meal count records were reviewed on a test-check basis. Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. Meals claimed did agree with meal count records.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications and/or to the list of directly certified students on file, times the number of operating days, on a school by school basis. The free and reduced price meal policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications was completed and available for review.

School Food Service, (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 and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will not cost the District anything to operate. The operating results provision has been met. All vendor discounts, rebates and credits from the FSMC were tracked and credited to the Food Service Accounts and reconciled to supporting documentation at least annually.

Expenditures were separately recorded as food, labor and other cost. 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.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees of the food service management company. No exceptions were noted.

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.

Net cash resources did exceed three months average expenditures. No comment is being made as this was the result of the use of the federal waiver.

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

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.

The School District food management company maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

We also inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modifications of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G of the ACFR.

Student Activity Fund

A cash receipts and disbursements record is maintained in satisfactory condition.

Cash disbursements had proper signatures and 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 (A.S.S.A.) for on-roll, private schools for the disabled, 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 without exception. The information that was included on the workpapers was verified without exception. 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 results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures 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.

Miscellaneous

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. Corrective action had been taken on all prior year findings.

Suggestions to Management

None

Acknowledgment

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.

Respectfully submitted,

James Cerullo

James Cerullo, C.P.A.
Licensed Public School Accountant
No. 881

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

SCHEDULE OF MEAL COUNT ACTIVITY

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDER CLAIM - Federal
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
National School Lunch	Paid				0	0.370	0.00
(High Rate)	Reduced				0	3.280	0.00
	Free				0	3.680	0.00
	SSO	57,166	57,166	57,166	0	4.3175	0.00
	SSO	<u>82,863</u>	<u>82,863</u>	<u>82,863</u>	<u>0</u>	4.5625	<u>0.00</u>
	Total	<u>140,029</u>	<u>140,029</u>	<u>140,029</u>	<u>0</u>		<u>0</u>
School Breakfast (Severe Need Rates)	Paid				0	0.330	0.00
	Reduced				0	2.050	0.00
	Free				0	2.350	0.00
	SSO	3,629	3,629	3,629	0	2.4625	0.00
	SSO	<u>6,165</u>	<u>6,165</u>	<u>6,165</u>	<u>0</u>	2.6050	<u>0.00</u>
	Total	<u>9,794</u>	<u>9,794</u>	<u>9,794</u>	<u>0</u>		<u>0.00</u>
After School Snacks	Paid				0		0.00
	Reduced				0		0.00
	Free	<u>12,138</u>	<u>12,138</u>	<u>12,138</u>	<u>0</u>	1.000	<u>0.00</u>
	Total	<u>12,138</u>	<u>12,138</u>	<u>12,138</u>	<u>0</u>		<u>0.00</u>

SCHEDULE OF MEAL COUNT ACTIVITY

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDER CLAIM - State
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
National School Lunch	Paid				0	0.100	0.00
(High Rate)	Reduced				0	0.105	0.00
	Free				0	0.105	0.00
	SSO	<u>140,029</u>	<u>140,029</u>	<u>140,029</u>	<u>0</u>	0.105	<u>0.00</u>
	Total	<u>140,029</u>	<u>140,029</u>	<u>140,029</u>	<u>0</u>		<u>0.00</u>

NET CASH RESOURCE SCHEDULE

WOODLAND PARK BOARD OF EDUCATION

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

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 300,931.00
B-4		Accounts Receivable	89,518.19
CAFR		Current Liabilities	
B-4		Less Accounts Payable & Accruals	(68,172.90)
B-4		Less Deferred Revenue	(27,822)
		Net Cash Resources	<u>\$ 294,454.59</u>
			(A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	745,526.19	
B-5	Less Depreciation	(9,712.20)	
	Adj. Tot. Oper. Exp.	<u>\$ 735,813.99</u>	(B)

Average Monthly Operating Expense:

B / 10	<u>\$ 73,581.40</u>	(C)
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Three times monthly Average:

3 X C	<u>\$ 220,744.20</u>	(D)
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TOTAL IN BOX A	\$	294,454.59	
LESS TOTAL IN BOX D	\$	(220,744.20)	
NET	\$	<u>73,710.39</u>	
From above:			
A is greater than D, cash exceeds 3 X average monthly operating expenses.			
D is greater than A, cash does not exceed 3 X average monthly operating expenses.			

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

SOURCE - USDA resource management comprehensive review form

SCHEDULE OF AUDITED ENROLLMENTS

WOODLAND PARK SCHOOL DISTRICT
Application for State School Aid Summary
Enrollment as of October 15, 2021

Year ended June 30, 2022

Enrollment category	2022-2023 Application for State School Aid			Sample for Verification			Private Schools for the Handicapped			
	Reported on A.S.S.A. on roll	Reported on workpapers on roll	Errors	Sample Selected from Workpapers	Verified per Registers on roll	Errors per Registers On Roll	Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Errors
	Full	Shared	Full	Full	Shared	Full	Full	Shared	Full	Shared
Full Day Preschool 3yrs	60		60	60		60				
Full Day Preschool 4yrs	81		81	81		81				
Full Day Kindergarten	113		113	113		113				
One	110		110	110		110				
Two	104		104	104		104				
Three	108		108	108		108				
Four	102		102	102		102				
Five	93		93	93		93				
Six	87		87	87		87				
Seven	103		103	103		103				
Eight	105		105	105		105				
Subtotal	1,066		1,066	1,066		1,066				
Special Ed. Elementary	76		76	16		16			2	2
Special Ed. Middle School	53		53	16		16			2	2
Special Ed. High School	1,195		1,195	1,098		1,098			2	2
Percentage										

SCHEDULE OF AUDITED ENROLLMENTS

WOODLAND PARK SCHOOL DISTRICT
Application for State School Aid Summary
Enrollment as of October 15, 2021

Year ended June 30, 2022

Enrollment category	Reported on A.S.S.A. as Low Income		Resident Low Income		Sample for Verification		Resident LEP Low Income		Sample for Verification		
	Reported on A.S.S.A. as Low Income	workpapers as Low Income	Reported on workpapers as Low Income	workpapers as Low Income	Sample selected from workpapers	Verified to Application and Register	Reported on A.S.S.A as LEP Low Income	workpapers LEP Low Income	Sample Selected from Workpapers	Verified to Register	Sample Errors
Full Day Preschool 3yrs	29	29	14	14	1	1	1	1	1	1	1
Full Day Preschool 4yrs	41	41	20	20	5	5	5	5	4	4	4
Full Day Kindergarten	36	36	18	18	4	4	4	4	3	3	3
One	46	46	22	22	7	7	7	7	6	6	6
Two	41	41	20	20	2	2	2	2	2	2	2
Three	37	37	18	18	3	3	3	3	3	3	3
Four	39	39	19	19	1	1	1	1	1	1	1
Five	36	36	18	18	3	3	3	3	3	3	3
Six	42	42	20	20	3	3	3	3	3	3	3
Seven	38	38	18	18	3	3	3	3	3	3	3
Eight	20	20	10	10	10	10	10	10	10	10	10
Special Ed. Elementary	405	405	197	197	197	197	29	29	26	26	26
Special Ed. Middle School	405	405	197	197	197	197	29	29	26	26	26

Percentage

Category	Reported on DRTS by DOE/county		Reported on DRTS by District		Transportation		Reported	Re-calc.
	Reported on DOE/county	Errors	Reported on District	Errors	Tested	Verified		
Regular - Public Schools, col. 1	8	-	8	-	5	5	-	-
Regular - Special Education, col. 4	3	-	3	-	2	2	-	-
Transported - Non-Public, col. 3	82	-	82	-	57	57	-	-
Special needs, col. 6	34	-	34	-	22	22	-	-
Totals	127	-	127	-	86	86	-	-

Percentage

Avg. Mileage - Regular Excluding Grade PK 5.8

Avg. Mileage - Regular Including Grade PK 2.2

Avg. Mileage - Special Ed with Special Needs 2.2

SCHEDULE OF AUDITED ENROLLMENTS

WOODLAND PARK SCHOOL DISTRICT
Application for State School Aid Summary
Enrollment as of October 15, 2020

Year ended June 30, 2021

Enrollment category	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.A as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Test score and Register	Sample Errors
Full Day Preschool 3yrs						
Full Day Preschool 4yrs						
Full Day Kindergarten						
One	6	6		6	6	6
Two	6	6		6	6	6
Three	4	4		4	4	4
Four	3	3		3	3	3
Five	4	4		4	4	4
Six						
Seven	3	3		3	3	3
Eight	2	2		2	2	2
Special Ed. Elementary						
Special Ed. Middle School						
	<u>34</u>	<u>34</u>		<u>34</u>	<u>34</u>	
	<u>34</u>	<u>34</u>		<u>34</u>	<u>34</u>	
Percentage						

BOROUGH OF WOODLAND PARK SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

REGULAR DISTRICT

SECTION 1

A. 4% Calculation of Excess Surplus

2021-22 Total General Fund Expenditures per the ACFR, Ex. C-1	\$	<u>23,804,757.50</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	_____	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	_____	(B1b)
Transfer from General Fund to SRF for PreK - Regular	\$	_____	(B1c)
Transfer from General Fund to SRF for PreK - Inclusion	\$	<u>216,240.00</u>	(B1d)
Decreased by:			
On-Behalf TPAF Pension & Social Security	\$	<u>4,830,777.11</u>	(B2a)
Assets Acquired Under Capital Leases	\$	_____	(B2b)
Adjusted 21-22 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$	<u>19,190,220.39</u>	(B3)
4% of Adjusted 2021-22 General Fund Expenditures			
[(B3) times .04]	\$	<u>767,608.82</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>767,608.82</u>	(B5)
Increased by: Allowable Adjustment*	\$	<u>90,461.00</u>	(K)
Maximum Unassigned/Undesignated Fund Balance [(B5)+(K)]	\$	<u>858,069.82</u>	(M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-22 (Per ACFR Budgetary Comparison Schedule C-1)	\$	<u>3,391,291.07</u>	(C)
Decreased by:			
Year End Encumbrances Encumbrances	\$	_____	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	_____	(C2)
Legally Restricted Excess Surplus - Designated for Designated for Subsequent Year's Expenditures**	\$	<u>288,880.00</u>	(C3)
Other Restricted Fund Balances****	\$	<u>2,244,341.25</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$	_____	(C5)
Total Unassigned/Undesignated Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$	<u>858,069.82</u>	(U1)

SECTION 3

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

Recapitulation of Excess Surplus as of June 30, 2022

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>288,880.00</u> (C3)
Reserved Excess Surplus***[(E)]	\$ <u> </u> (E)
Total [(C3)+(E)]	\$ <u>288,880.00</u> (D)

Footnotes:

- * 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:7-F-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, effective for the year ending June 30, 2015 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), Extraordinary Aid;
 - (J1) Extraordinary Aid;
 - (J2) Additional Nonpublic School Transportation Aid
 - (J3) Current Year School Bus Advertising Revenue Recognized
 - (J4) Family Crisis Transportation Aid.
- Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ <u> </u> (H)
Sale & Lease-back	\$ <u> </u> (I)
Extraordinary Aid	\$ <u>48,701.00</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>41,760.00</u> (J2)
Current Year School Bus Advertising Revenue Recognized	<u> </u> (J3)
Family Crisis Transportation Aid	\$ <u> </u> (J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$ <u>90,461.00</u> (K)

- ** This amount represents the June 30, 2021 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.
- *** Amounts must agree to the June 30, 2022 ACFR and the sum of the two lines must agree to Audit Summary Worksheet Line 90030.
- **** Amount of Other Reserved Fund Balance 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 an 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.

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$	_____
Sale/lease-back reserve	\$	_____
Capital reserve	\$	<u>2,139,811.09</u>
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 (Sections 8002 and 8003)	\$	_____
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$	_____
Other state/government mandated reserve	\$	_____
Reserve for Unemployment Fund	\$	<u>104,530.16</u>
[Other Restricted Fund Balance not noted above]****	\$	_____
 Total Other Restricted Fund Balance	\$	<u>2,244,341.25</u> (C4)

**BOROUGH OF WOODLAND PARK
BOARD OF EDUCATION**

**AUDIT FINDINGS & RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

RECOMMENDATIONS:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

Finding 2022-01: State Aid revenue/receipts were not posted to the correct Fund revenue line item accounts in the general ledger .

Recommendation: That all revenue/receipts be posted to the correct Fund revenue line item accounts in the General Ledger.

Finding 2022-02: State Aid debit/credit memo's for State Aid deductions for debt service assessment, County special service tuition and Commission for Blind services were not posted to the state aid receivable and budget appropriation accounts.

Recommendation: That all State Aid debit/credit memo's be posted to the state aid receivable and budget appropriation accounts.

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Activity Fund

None

6. Application for State School Aid

None

**BOROUGH OF WOODLAND PARK
BOARD OF EDUCATION**

**AUDIT FINDINGS & RECOMMENDATIONS SUMMARY
(Continued)**

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Follow-up on Prior Year Findings

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings.