

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
SCHOOL DISTRICT OF  
BOROUGH OF CLIFFSIDE PARK  
COUNTY OF BERGEN, NEW JERSEY  
JUNE 30, 2023**

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**REPORT OF INDEPENDENT AUDITORS**

Honorable President and  
Members of the Board of Education  
Borough of Cliffside Park School District  
County of Bergen, 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 Cliffside Park School District in the County of Bergen for the year ended June 30, 2023, and have issued our report thereon dated November 15, 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 Cliffside 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.

*Steven D. Wielkocz*

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Pompton Lakes, New Jersey

November 15, 2023



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

**GENERAL COMMENTS**

**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, 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 of the District's ACFR.

**Officials Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Louis Alfano	Board Secretary/School Business Administrator	\$50,000
Frank Berardo	Treasurer	\$350,000

**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.

**Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs exceeded the estimated costs. The Board made the proper adjustments to the billings to sending districts for the increase in per pupil costs in accordance with N.J.A.C. 6A:23A-3.1(f)3.

## **Financial Planning, Accounting and Reporting**

### **Examination of Claims**

An examination of claims paid during the period under review did not indicate any 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 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.

Payrolls were delivered to the Treasurer of School Moneys with a warrant made to his order for the full amount of each payroll.

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, Liability for 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 proprietary 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 compliance with N.J.A.C. 6A:23A-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 Board's Secretary's records were found to be in good order.

### **Fixed Assets**

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

**Finding 2023-001:** There were instances in which fixed assets were not properly tagged.

**Recommendation:** The District should have adequate internal control procedures over its' capital assets, including tagging all fixed assets when received.

### **Treasurer's Records**

The Treasurer's records 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 contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Title I, Title I SIA, Title II and Title III of the Elementary and Secondary Education Act, as amended and reauthorized.

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

## **Financial Planning, Accounting and Reporting, (continued)**

### **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 the 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 the district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

**Finding 2023-002 (ACFR Finding 2023-001):** There was an instance in which the incorrect TPAF wages were submitted into the State of New Jersey Department of Education Social Security Contributions FICA System causing an overpayment by the State when reimbursing the District.

**Recommendation:** The District should compare the information entered into the FICA System to the supporting payroll records prior to final submission for reimbursement to ensure the data entered is complete and accurately reflects payroll records.

### **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.

### **Nonpublic State Aid**

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

## **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 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.

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 an individual payment, contract, or agreement was 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, as 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**

School Food Authorities (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.

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 Fund 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 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.

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts and meal count records were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

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 return a profit. All vendor discounts, rebates and credits from the 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 and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

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

**School Food Service, (continued)**

The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements.

Net cash resources did not exceed three months average expenditures.

Timesheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the Board of Education. No exceptions were noted.

The number of meals claimed for reimbursement were compared to 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.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications times the number of operating days, on a school by school basis. The free and reduced price meal was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications was completed and available for review.

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

The school district maintains the detailed revenue and expenditure information necessary in order to execute the U.S.D.A. mandated Non-Program Food Revenue Tool at least annually.

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

## **Student Body Activities**

During our review of the student activity funds, no exceptions were noted.

## **Application for State School Aid**

Our audit procedures included a test of information reported in the October 14, 2022 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 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 equivalents.

The District's written procedures appear to be adequate for the recording of student enrollment data.

## **Pupil Transportation**

Our audit procedures included a test of on-roll status reported in the 2022-2023 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report. 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. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

## **Miscellaneous**

**Finding 2023-003:** The designated employee who is responsible for the coordination of the SEMI Program did not submit the Quarter 3, 2022 and Staff Pool List in a timely manner.

**Recommendation:** The designated employee who is responsible for the coordination of the SEMI Program should ensure that all required reports are submitted in a timely manner.

## **Testing for Lead of All Drinking Water in Educational Facilities**

The school district adhered to all the 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 Audit Findings**

In accordance with Government Auditing Standards, our procedures included a review on all prior year recommendations and corrective action was taken on all.

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2023.

**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,

*Steven D. Wielkotz*

Steven D. Wielkotz, C.P.A.  
Licensed Public School Accountant  
No. 816

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**SCHEDULE OF MEAL COUNT ACTIVITY**

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIMED - FEDERAL  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<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 (High Rate)	Paid	70,701	70,701	70,701		0.790	\$
National School Lunch (High Rate)	Reduced	27,494	27,494	27,494		3.950	
National School Lunch (High Rate)	Free	<u>130,135</u>	<u>130,135</u>	<u>130,135</u>		4.350	
	Total	<u>228,330</u>	<u>228,330</u>	<u>228,330</u>			
National School Lunch (Healthy Hunger-Free Kids Act)	HHFKA	<u>228,330</u>	<u>228,330</u>	<u>228,330</u>		0.08	
School Breakfast (Severe Needs Rate)	Paid	26,260	26,260	26,260		0.50	
	Reduced	11,721	11,721	11,721		2.37	
	Free	<u>57,266</u>	<u>57,266</u>	<u>57,266</u>		2.67	
	Total	<u>95,247</u>	<u>95,247</u>	<u>95,247</u>			
After School Snacks	Paid						
	Reduced						
	Free	<u>37,177</u>	<u>37,177</u>	<u>37,177</u>		1.08	
	Total	<u>37,177</u>	<u>37,177</u>	<u>37,177</u>			
Total (Over)/Under Claim							\$ <u>          </u>

Source: Edit Check Worksheets

**SCHEDULE OF MEAL COUNT ACTIVITY**

**BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIMED - STATE  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<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>
State Reimbursement - National School Lunch (High Rate)	Paid	70,701	70,701	70,701		0.060	\$
State Reimbursement - National School Lunch (High Rate)	Reduced	27,494	27,494	27,494		0.400	
State Reimbursement - National School Lunch (High Rate)	Free	<u>130,135</u>	<u>130,135</u>	<u>130,135</u>	<u>                    </u>	0.070	<u>                    </u>
	Total	<u>228,330</u>	<u>228,330</u>	<u>228,330</u>	<u>                    </u>		<u>                    </u>
State Reimbursement - National School Breakfast (High Rate)	Reduced	<u>11,721</u>	<u>11,721</u>	<u>11,721</u>	<u>                    </u>	0.3000	<u>                    </u>
	Total	<u>11,721</u>	<u>11,721</u>	<u>11,721</u>	<u>                    </u>		<u>                    </u>
Total (Over)/Under Claim							\$ <u>                    </u>

Source: Edit Check Worksheets

**BOROUGH OF CLIFFSIDE PARK  
BOARD OF EDUCATION**

**Net cash resources did not exceed three months of expenditures  
Proprietary Funds - Food Service  
Year ended June 30, 2023**

<u>Net Cash Resources:</u>		<b>Food Service B - 4/5</b>	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 355,266
B-4		Due from Other Gov'ts	69,645
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(5,800)
B-4		Less Due to Other Funds	(164,162)
			(164,162)
		<b>Net Cash Resources</b>	<b>\$ 254,949 (A)</b>

**Net Adj. Total Operating Expense:**

B-5	Tot. Operating Exp.	1,879,738	
B-5	Less Depreciation	(25,014)	
		(25,014)	
	Adj. Tot. Oper. Exp.	<b>\$ 1,854,724</b>	<b>(B)</b>

**Average Monthly Operating Expense:**

	B / 10	<b>\$ 185,472</b>	<b>(C)</b>
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**Three times monthly Average:**

	3 X C	<b>\$ 556,417</b>	<b>(D)</b>
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TOTAL IN BOX A	\$	254,949.00	
LESS TOTAL IN BOX D	\$	556,417.20	
NET	\$	<b>(301,468.20)</b>	
From above:			
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>			
<b>D is greater than A, cash 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

SCHEDULE OF AUDITED ENROLLMENTS

BOROUGH OF CLIFFSIDE PARK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2022

Year Ended June 30, 2023

Enrollment Category	2022-2023 Application for State School Aid				Sample for Verification				Errors per Registers On Roll			Reported on ASSA as Private Schools		Private Schools for Disabled		
	Reported on ASSA On Roll	Shared	Full	Workpapers On Roll	Errors Shared	Full	Sample Selected from Workpapers	Full	Shared	Full	Shared	Full	Shared	Sample for Verification	Sample Verified	Sample Errors
Half Day Preschool	59		59				59		59							
Full Day Preschool	171		171				171		171							
One	169		169				169		169							
Two	140		140				140		140							
Three	138		138				138		138							
Four	137		137				137		137							
Five	145		145				145		145							
Six	134		134				134		134							
Seven	156		156				156		156							
Eight	166		166				166		166							
Nine	279		279				279		279							
Ten	259		259				259		259							
Eleven	257		257				257		257							
Twelve	230		230				230		230							
Subtotal	2,440		2,440				2,440		2,440							
Special Ed. Elementary	278		278				87		87				2	2	2	
Special Ed. Middle	133		133				41		41				2	2	2	
Special Ed. High School	220		220				69		69				6	4	4	
Subtotal	631		631				197		197				10	8	8	
Totals	3,071		3,071				2,637		2,637				10	8	8	
Percentage Error																



**SCHEDULE OF AUDITED ENROLLMENTS**

**BOROUGH OF CLIFFSIDE PARK  
BOARD OF EDUCATION**

Application for State School Aid Summary  
Enrollment as of October 15, 2022

Year ended June 30, 2023

Enrollment category	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	Errors	Reported on A.S.S.A as LEP low Income	Reported on Workpapers LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test score and Register	Sample Errors
Full Day Kindergarten	87	87		18	18		34	34		20	20	
One	94	94		19	19		38	38		22	22	
Two	83	83		17	17		22	22		11	11	
Three	68	68		14	14		15	15		8	8	
Four	72	72		14	14		9	9		5	5	
Five	83	83		17	17		11	11		6	6	
Six	80	80		16	16		8	8		5	5	
Seven	83	83		17	17		10	10		6	6	
Eight	82	82		16	16		8	8		6	6	
Nine	67	67		13	13		13	13		9	9	
Ten	49	49		10	10		6	6		6	6	
Eleven	61	61		12	12		9	9		6	6	
Twelve	52	52		10	10		8	8		6	6	
Special Ed. Elementary	177	177		35	35		5	5		5	5	
Special Ed. Middle School	96	96		19	19		1	1		1	1	
Special Ed. High School	87	87		17	17		197	197		122	122	
	1321	1321		264	264		197	197		122	122	

**Percentage**

Category	Transportation		
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors
Regular - Public Schools, col. 1	79.0	79.0	
Transported- Non-Public		60	60
Regular - Special Education, col. 4	82.5	82.5	
Special needs, col. 6	104.5	104.5	
<b>Totals</b>	266.0	266.0	194

**Percentage**

Category	Reported	Re-calc.
Avg. Mileage - Regular Excluding Grade PK	5.6	5.6
Avg. Mileage - Regular Including Grade PK	5.6	5.6
Avg. Mileage - Special Ed with Special Needs	4.6	4.6

**BOROUGH OF CLIFFSIDE PARK  
BOARD OF EDUCATION**

**Application for State School Aid Summary  
Enrollment as of October 15, 2022**

Year ended June 30, 2023

**SCHEDULE OF AUDITED ENROLLMENTS**

Enrollment category	Resident LEP Not Low Income		Sample for Verification		
	Reported on A.S.A as LEP Not low Income	Reported on Workpapers LEP Not low Income	Sample Selected from Workpapers	Verified to Test score and Register	Sample Errors
Full Day Kindergarten	20	20	14	14	
One	19	19	13	13	
Two	6	6	4	4	
Three	7	7	5	5	
Four	4	4	3	3	
Five	2	2	1	1	
Six	5	5	3	3	
Seven	9	9	6	6	
Eight	5	5	3	3	
Nine	15	15	10	10	
Ten	13	13	9	9	
Eleven	12	12	8	8	
Twelve	6	6	4	4	
Special Ed. Elementary	5	5	3	3	
Special Ed. Middle School	1	1	1	1	
Special Ed. High School	1	1	1	1	
	<u>130</u>	<u>130</u>	<u>88</u>	<u>88</u>	
	<u>130</u>	<u>130</u>	<u>88</u>	<u>88</u>	

**Percentage**

**CLIFFSIDE PARK BOARD OF EDUCATION**  
**EXCESS SURPLUS CALCULATION**

**REGULAR DISTRICT**

**SECTION 1**

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

2022-23 Total General Fund Expenditures per the ACFR, Ex. C-1	\$	<u>66,992,524</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	<u>                    </u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	<u>                    </u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$	<u>                    </u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$	<u>                    </u>	(B1d)
Decreased by:			
On-Behalf TPAF Pension & Social Security	\$	<u>12,705,177</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u>                    </u>	(B2b)
Adjusted 22-23 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$	<u>54,287,347</u>	(B3)
2% of Adjusted 2022-23 General Fund Expenditures [(B3) times .02]	\$	<u>1,085,747</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>1,085,747</u>	(B5)
Increased by: Allowable Adjustment *	\$	<u>93,730</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$	<u><u>1,179,477</u></u>	(M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-23 (Per ACFR Budgetary Comparison Schedule C-1))	\$	<u>14,049,637</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>2,266,238</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	<u>                    </u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>1,039,416</u>	(C3)
Other Restricted Fund Balances****	\$	<u>7,193,817</u>	(C4)
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	\$	<u>1,334,864</u>	(C5)
Total Unassigned Fund Balance [( C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$	<u><u>2,215,302</u></u>	(U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus\*\*\* [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 1,035,825 (E)

**Recapitulation of Excess Surplus as of June 30, 2023**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>1,039,416</u> (C3)
Reserved Excess Surplus ***[(E)]	\$ <u>1,035,825</u> (E)
Total [(C3) + (E)]	\$ <u>2,075,241</u> (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) Supplemental Stabilization Aid received in April 2023 & Maintenance of Equity Aid received July 2023
- Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid	\$ _____ (H)
Sale & Lease-back	\$ _____ (I)
Extraordinary Aid	\$ <u>93,730</u> (J1)
Additional Nonpublic School Transportation Aid	\$ _____ (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ (J3)
Family Crisis Transportation Aid	\$ _____ (J4)
Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023	\$ _____ (J5)
Total Adjustments [(H)+{I)+(J1)+(J2)+(J3)+(J4)+(J5)]	\$ <u>93,730</u> (K)

\*\* This amount represents the June 30, 2023 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amounts must agree to the June 30, 2023 ACFR and must agree to Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Reserved 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 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 Reserved Fund Balance**

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Sale/Lease-back reserve	\$ _____
Capital Reserve	\$ <u>6,859,348</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 Capital Fund Reserve (Sections 8007 and 8008)	\$ _____
Other state/government mandated reserve	\$ _____
Reserve for Unemployment Fund	\$ <u>334,469</u>
[Other Restricted Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ <u>7,193,817</u> (C4)

**CLIFFSIDE PARK BOARD OF EDUCATION  
AUDIT RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Recommendations:

1. Administrative Practices and Reporting

None

2. Financial Planning, Accounting and Reporting

The District should have adequate internal control procedures over its' capital assets, including tagging all fixed assets when received.

The District should compare the information entered into the FICA System to the supporting payroll records prior to final submission for reimbursement to ensure the data entered is complete and accurately reflects payroll records.

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

The designated employee who is responsible for the coordination of the SEMI Program should ensure that all required reports are submitted in a timely manner.

10. Status of Prior Year Audit Findings/Recommendations

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