

**EDGEWATER BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2023**

**EDGEWATER BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and Members
of the Board of Education
Edgewater Board of Education
Edgewater, New Jersey

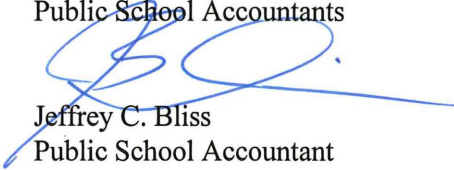
We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Edgewater Board of Education, County of Bergen, State of New Jersey as of and for the fiscal year ended June 30 2023, and have issued our report thereon dated November 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 for the information of management, 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.

Lerch, Vinci & Bliss, LLP

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
November 30, 2023

**EDGEWATER BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30 2023**

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 Exhibit J-20, Schedule of Insurance contained in the district's Annual Comprehensive Financial Report ("ACFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Walley Lindsley	Business Administrator/ Board Secretary	\$250,000
Douglas Triplett	Treasurer of School Monies (3/1/23-6/30/23)	\$250,000
Tina L. Trueba	Treasurer of School Monies (7/1/22-4/4/23)	\$275,000

There is Public Employee Dishonesty and Faithful Performance policy with the New Jersey Schools Insurance Group covering all other employees with multiple coverage of \$500,000.

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.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any material discrepancies with respect to signatures, certifications and supporting documentation.

**EDGEWATER BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30 2023**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account

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

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.

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

A position control roster was maintained in an electronic (Excel) format, however it was not integrated with the District's budget and payroll accounting systems in accordance with N.J.A.C. 6A:23A-6.8. We did note the District is updating its financial accounting and reporting system to a new system which will include a fully integrated position control roster with the budget and payroll accounting systems. The new system has been installed and will be operational effective January 1, 2024.

- **Finding 2023-1** – A payroll deduction ledger was not maintained by the District to account for payroll deduction by their respective categories.

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

- **Finding 2023-2** – Our review of additional compensation paid revealed the following:
 - The basis for the hourly rate of pay for one individual did not align with the employment contract terms (1,820 hour work year vs 2,080 hour work year) resulting in incorrect rate of pay for “extra regular pay” and overtime pay.
 - The rate of pay for “extra regular pay” and overtime pay was not consistently applied for certain individuals.
 - Overtime and “extra regular pay” was not preapproved as required by the employment contract.
 - Numerous overtime sheets were not approved by a supervisor, but were processed and paid.

Recommendation – It is recommended that with respect to the payment of overtime and extra regular pay:

- Hourly rates be calculated and paid based on the employment contract terms and be consistently applied.
 - All overtime and “extra regular pay” be pre-approved, as required by employment contract provisions.
 - Overtime and extra regular pay be processed only after a properly approved timesheet is provided to payroll.
- **Finding 2023-3** – Our audit of payroll tax reporting revealed one federal tax deposit was not remitted timely.

Recommendation – The District remit its payroll tax deposits in a timely manner.

**EDGEWATER BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30 2023**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

- **Finding 2023-4** – Numerous payroll reports requested with regard to TPAF FICA reimbursements, summer pay, etc. were not provided for audit.

Recommendation – Payroll reports utilized to support amounts withhold, remitted or submitted with regard to payroll deductions be provided for audit.

- **Finding 2023-5** – Our audit of salaries revealed certain individuals enrolled in the DCRP did not contribute to the DCRP based on the wages paid for the respective payroll period.

Recommendation – Employees enrolled in the DCRP contribute based on their total wages paid, as required.

- **Finding 2023-6** – The retroactive pay pension report for PERS has not been completed and remitted to the State as of October 2023.

Recommendation – The District prepare and remit the PERS pension report for the 2022/2023 retroactive payroll.

- **Finding 2023-7** – Our audit of the tri-annual employee payroll verification process indicated numerous employee signatures were not obtained for individuals paid on the day the verification is performed.

Recommendation – The District implement procedures to withhold paychecks or stop direct deposits until individuals produce appropriate identification when performing the tri-annual employee payroll verification.

- **Finding 2023-8** – Our audit of employee health benefit contributions revealed certain contribution amounts calculated were not in accordance with contractual agreements and Board policy.

Recommendation – Procedures be reviewed and revised to ensure employee health benefit contributions are calculated in accordance with contractual agreements and Board policy.

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, 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.(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 included administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23-8.3. As a result of the procedures performed, no additional testing was deemed necessary to test the propriety of expenditure classifications.

Travel Policy

The District had an approved Board travel policy as required by NJAC 6A:23A-6.13 and NJSA 18A:11-12.

**EDGEWATER BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30 2023**

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records

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

Acknowledgement of the Board's receipt of the Board Secretary's monthly financial reports were included in the minutes.

The prescribed contractual order system was followed with exceptions noted.

- **Finding 2023-9 (ACFR Finding 2023-001 and 2023-004)** – The Board Secretary's and Treasurer's monthly reports were not approved timely in all instances. Additionally, the year-end monthly reports submitted to the County were not in agreement.

Recommendation – The monthly financial reports of the Board Secretary and Treasurer of School Monies be submitted to and approved by the Board in a timely manner and they be in agreement.

- **Finding 2023-10** – Our audit of travel expense reimbursements indicated purpose and relevance statements were not attached to travel reimbursement requests or purchase orders.

Recommendation – Purpose and relevance statements be attached to travel reimbursement requests or purchase orders.

Treasurer's Records

The Treasurer did perform cash reconciliations for all District accounts.

The Treasurer's bank reconciliations were not in agreement with the records of the School Business Administrator/Board Secretary as previously noted above.

Acknowledgement of the Board's receipt of the Treasurer's monthly financial reports was included in the minutes.

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, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Exhibits K-3 and 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.

- **Finding 2023-11 (ACFR Finding 2023-003)** – Our audit of salary charged to the ESSER grant programs revealed the following:
 - Employees and the funding percentages of their respective salaries charged to the program were not approved in the Board minutes.
 - Time and effort activity reports were not completed for employees whose salaries were charged to the grant program.
 - Salaries were charged by disbursement adjustment and not by each pay period throughout the year.

Recommendation – Employees and their respective salaries charged to federally funded grant programs be formally approved by Board resolution and include the grant program's funding percentages. In addition, all employees charged to federally funded grant programs be included on the time and effort activity reports and their salaries be charged by pay period as incurred during the year.

**EDGEWATER BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30 2023**

Financial Planning, Accounting and Reporting (Continued)

T.P.A.F. Reimbursements

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for District employees who are members of the Teachers Pension and Annuity Fund. As previously mentioned in Finding 2023-4 payroll reports to support amounts reimbursed were not provided for audit.

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/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.

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-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulates bidding for public school student transportation contracts under NJSA 18A:39-3 which is \$19,600 for 2020-2021.

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, c. 198 (c.40A:11-9), the board of education may establish that the bid threshold may be up to \$44,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. The Board designated the Interim School Business Administrator as the qualified purchasing agent and approved a bid threshold of \$44,000.

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.

The results of our examination did not indicate any 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.

- **Finding 2023-12** – Our audit of purchases and contract awards in excess of the bid and quote thresholds revealed the following as it related to compliance with the Public School Contracts Law:
 - Copies of the public advertisement was not provided for three (3) vendors awarded contracts under a public bid process, a competitive bid process and a professional service award.
 - We noted cooperative purchasing program contract award information was not on file in the District and not being reviewed to ensure amounts invoiced were goods or services and prices in the approved cooperative purchasing program award.
 - We noted payments made for several goods and services which exceeded the quote threshold, however competitive quotations were not provided for audit.
 - Business Registration Certificated (BRC) or Political Contribution Disclosure Forms (PCD) were not provided or available for certain vendors.

Recommendation - Continued efforts be made to ensure all contract awards and purchases that exceed the bid and quote thresholds are procured in accordance with the requirements of the Public School Contracts Law. In addition, cooperative purchasing program contract award documentation be maintained on file and verified to vendor invoices accordingly.

**EDGEWATER BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30 2023**

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 that purchases were made through the use of state contracts.

Food Service Fund

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 not selected as a major federal or state program. However, the program expenditures exceeded \$100,000 in federal support. Accordingly, we inquired of school management as to whether the School Food Authority (the "SFA") had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

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; modification of existing contracts and applicable financial records to document the specific cost 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 Program. 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 records of the school food services were maintained in satisfactory condition. The financial accounts and records were reviewed on a test-check basis.

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed. The FSMC contract includes operating results provisions which guarantees that the Food Service program will have a profit of \$10,000. The operating results provision has been met.

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 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.

Net cash resources did exceed three months average expenditures. We noted the District approved and implemented a corrective action plan in 2022/2023 to eliminate the excess in net cash resources. The District indicated such plan will take more than one year to be fully implemented and to eliminate the excess in net cash resources that exists at June 30, 2023.

**EDGEWATER BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30 2023**

Food Service Fund (Continued)

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

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

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds.

Student Body Activities

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

All cash disbursements tested had proper supporting documentation.

Preschool Program

The District operates a pre-kindergarten program for resident children based on an annual fee.

- **Finding 2023-13 (ACFR Finding 2023-002)** – With respect to the Preschool Program we noted the following:
 - The program ended the year in a net position deficit of \$67,329 at June 30, 2023.
 - Program salaries and employee benefits of the Preschool Program Enterprise Fund were not being charged to the program during the school year. An audit adjustment was required to reallocate program salaries and employee benefits costs from the General Fund budget.

Recommendation – With respect to the Preschool Program:

- Appropriate action be taken to eliminate the deficit in net position at June 30, 2023 in the Preschool Program Enterprise Fund.
- Program salaries and employee benefits be properly charged to the Preschool Program Enterprise Fund during the year.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2022 Application for State School Aid (ASSA) for on-roll, private schools for the disabled, related services, 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 with exceptions noted. The information that was included on the workpapers was verified with minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District did maintain workpapers on the prescribed state forms or their equivalent for all reporting categories.

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

**EDGEWATER BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30 2023**

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2022-23 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 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 SDA grant projects during the current year.

- **Finding 2023-14** – Our audit of the District’s capital assets revealed capital assets were not updated for current year additions.

Recommendation – The District update its capital asset records on a timely basis to reflect all current year activity.

Testing for Lead of all Drinking Water in Educational Facilities

The school district adhered to all requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

Suggestions to Management

- The Treasurer’s surety bond be increased to a minimum of \$275,000.
- Interfund balances be liquidated prior to year-end.
- The unspent project balances in the Capital Projects Fund be reviewed and appropriate action be taken to clear completed project balances of record.
- Program fees of the preschool program be approved by Board resolution.
- Long Range Facilities Plan be updated and made current.
- Employee sign-in attendance records and sick day recording procedures be reviewed by the District.
- A standard system of accounting and reporting be implemented for the student activity accounts.

Follow-up Prior Year Findings

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

**EDGEWATER BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30 2023**

N/A – INFORMATION NOT REQUIRED

**EDGEWATER BOARD OF EDUCATION
FOOD SERVICE FUND
COMPARISON OF NET CASH RESOURCES TO THREE MONTHS AVERAGE EXPENDITURES
ENTERPRISE FUND
AS OF JUNE 30 2023**

NET CASH RESOURCE SCHEDULE

<u>Net Cash Resources:</u>	<u>Total</u>	<u>Reference</u>												
CAFR														
<u>Exhibit</u>														
	Current Assets													
B-4	Cash & Cash Equivalents	\$ 209,198												
B-4	Intergovernmental Receivable	8,179												
B-4	Other Accounts Receivable	3,001												
B-4	Due From Other Funds													
CAFR														
	Current Liabilities													
B-4	Less Accounts Payable													
B-4	Less Due to Other Funds	(7,920.00)												
B-4	Less Unearned Revenue	(6,897)												
	Net Cash Resources	\$ 205,561 (A)												
<u>Total Net Adjusted Operating Expenses:</u>														
B-5	Total Operating Expenses	\$ 331,159												
B-5	Less Depreciation	(11,879)												
	Total Net Adjusted Total Operating Expenditures	\$ 319,280 (B)												
<u>Average Monthly Operating Expenses:</u>														
	Total Net Adjusted Operating Expenses (B) / 10 months	\$ 31,928 (C)												
<u>Three Times Monthly Average:</u>														
	3 X Average Monthly Expenses (C)	\$ 95,784 (D)												
<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">TOTAL NET CASH RESOURCES</td> <td style="text-align: right;">\$ 205,561</td> <td style="text-align: right;">(A)</td> </tr> <tr> <td>LESS THREE MONTHS AVERAGE EXPENDITURES</td> <td style="text-align: right;">\$ 95,784</td> <td style="text-align: right;">(D)</td> </tr> <tr> <td>NET OVER (UNDER)</td> <td style="text-align: right;">\$ 109,777</td> <td></td> </tr> <tr> <td colspan="3">NET CASH RESOURCES DO EXCEED THREE MONTH AVERAGE EXPENDITURES</td> </tr> </table>			TOTAL NET CASH RESOURCES	\$ 205,561	(A)	LESS THREE MONTHS AVERAGE EXPENDITURES	\$ 95,784	(D)	NET OVER (UNDER)	\$ 109,777		NET CASH RESOURCES DO EXCEED THREE MONTH AVERAGE EXPENDITURES		
TOTAL NET CASH RESOURCES	\$ 205,561	(A)												
LESS THREE MONTHS AVERAGE EXPENDITURES	\$ 95,784	(D)												
NET OVER (UNDER)	\$ 109,777													
NET CASH RESOURCES DO EXCEED THREE MONTH AVERAGE EXPENDITURES														

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

SOURCE - USDA resource management comprehensive review form

**EDGEWATER BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022
SCHEDULE OF AUDITED ENROLLMENTS**

	2023-24 Application for State School Aid						Sample for Verification						Private Schools for Disabled				
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Veri- fication	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool - 3yr		-		-	-	-		-		-		-					
Half Day Preschool - 4yr		-		-	-	-		-		-		-					
Full Day Preschool - 3yr		-		-	-	-		-		-		-					
Full Day Preschool - 4yr	15	-	15	-	-	-	15	-	15	-	-	-					
Half Day Kindergarten																	
Full Day Kindergarten	89	-	89	-	-	-	89	-	88	-	1	-					
One	104	-	104	-	-	-	104	-	105	-	(1)	-					
Two	76	-	76	-	-	-	76	-	76	-	-	-					
Three	96	-	96	-	-	-	96	-	96	-	-	-					
Four	71	-	71	-	-	-	71	-	73	-	(2)	-					
Five	83	-	83	-	-	-	83	-	83	-	-	-					
Six	60	-	60	-	-	-	60	-	60	-	-	-					
Seven																	
Eight																	
Nine																	
Ten																	
Eleven																	
Twelve																	
Post-Graduate																	
Adult H.S. (15+CR.)																	
Adult H.S. (1-14 CR.)																	
Subtotal	594	0	594	-	-	-	594	-	596	-	(2)	-					
Special Ed - Elementary	57	-	58	-	(1)	-	17	-	17	-	-	-					
Special Ed - Middle School	9	-	8	-	1	-	3	-	3	-	-	-	2	2	2		
Special Ed - High School													6	5	5		
Subtotal	66.0	-	66.0	-	-	-	20	-	20	-	-	-	8	7	7		
Co. Voc. - Regular																	
Co. Voc. Ft. Post Sec.																	
Totals	660	-	660	-	-	-	614	-	616	-	(2)	-	8	7	7		
Percentage Error					0.00%	0.00%					-0.33%	0.00%					0.00%

**EDGEWATER BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022
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	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten	-	-		-								
Full Day Kindergarten	4	4	-	1	1	-			-			-
One	8	8		3	3	-	3	3	-	1.0	1.0	-
Two	5	6	(1)	2	2	-	1	1	-	1	1	-
Three	10	9	1	3	3	-	2	2	-	1	1	-
Four	10	10	-	3	3	-	1	1	-	1	1	-
Five	19	19	-	5	5	-	1	1	-	1	1	-
Six	6	6	-	2	2	-	1	1	-	1	1	-
Seven	14	13	1	4	4	-			-			-
Eight	7	7	-	2	2	-			-			-
Nine	6	6	-	2	2	-			-			-
Ten	7	7	-	2	2	-	1	1	-	1	1	-
Eleven	21	21	-	6	6	-	2	2	-	1	1	-
Twelve	16	16	-	5	5	-	-	-	-	-	-	-
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	<u>133</u>	<u>132</u>	<u>1</u>	<u>40</u>	<u>40</u>	<u>-</u>	<u>12</u>	<u>12</u>	<u>-</u>	<u>8</u>	<u>8</u>	<u>-</u>
Special Ed - Elementary	25	19	6	5	5	-	-	-	-	-	-	-
Special Ed - Middle	15	11	4	3	3	-	-	-	-	-	-	-
Special Ed - High	21	20	1	6	6	-	2	2	-	1	1	-
Subtotal	<u>61</u>	<u>50</u>	<u>11</u>	<u>14</u>	<u>14</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	<u>194</u>	<u>182</u>	<u>12</u>	<u>54</u>	<u>54</u>	<u>-</u>	<u>14</u>	<u>14</u>	<u>-</u>	<u>9</u>	<u>9</u>	<u>-</u>
Percentage Error			<u>6.19%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	1,039	1,039	-	64	63	1
Reg -SpEd, col. 4	23	23	-	2	2	-
Transported - Non-Public, col. 2	-	-	-	-	-	-
Special Ed Spec, col. 6	24	24	-	2	2	-
Totals	<u>1,086</u>	<u>1,086</u>	<u>-</u>	<u>68</u>	<u>67</u>	<u>1</u>
Percentage Error			<u>0.00%</u>			<u>1.47%</u>

**EDGEWATER BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022
SCHEDULE OF AUDITED ENROLLMENTS**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool			-			
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	25	24	1	6	6	-
One	20	22	-2	4	4	-
Two	10	9	1	1	1	-
Three	19	21	-2	3	3	-
Four	8	8	-	1	1	-
Five	5	6	-1	1	1	-
Six	2	3	-1	1	1	-
Seven	4	4	-	1	1	-
Eight	6	6	-	1	1	-
Nine	1	1	-	1	1	-
Ten	2	3	-1	1	1	-
Eleven	2	4	-2	1	1	-
Twelve	1	1	-	1	1	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>105</u>	<u>112</u>	<u>-7</u>	<u>23</u>	<u>23</u>	<u>-</u>
Special Ed - Elementary	3	6	-3	1	1	-
Special Ed - Middle	1	1	-	1	1	-
Special Ed - High	0	2	-2	1	1	-
Subtotal	<u>4</u>	<u>9</u>	<u>-5</u>	<u>3</u>	<u>3</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>109</u>	<u>121</u>	<u>-12</u>	<u>26</u>	<u>26</u>	<u>-</u>
Percentage Error			<u>-11.01%</u>			<u>0.00%</u>

**EDGEWATER BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30 2023**

SECTION 1A

2022-2023 Total General Fund Expenditures per the CAFR	\$	29,524,249
Increased by:		
Transfer to Special Revenue Fund		96,203
Decreased by:		
On-Behalf TPAF Pension & Social Security		<u>(2,242,727)</u>
Adjusted 2022-2023 General Fund Expenditures	\$	<u>27,377,725</u>
2.0% of Adjusted 2022-2023 General Fund Expenditures	\$	<u>547,555</u>
Enter Greater of 2.0% of Adjusted 2022-2023 General Fund Expenditures or \$250,000	\$	547,555
Increased by: Allowable Adjustments		<u>594,148</u>
Maximum Unassigned Fund Balance		<u>\$ 1,141,703</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2023 (Per CAFR Budgetary Comparison Schedule/Statement)	\$	21,142,103
Decreased by:		
Year End Encumbrances	\$	1,241,699
Capital Reserve		13,248,171
Maintenance Reserve		1,014,482
Emergency Reserve		363,160
Tuition Adjustment Reserve		2,025,000
Designatd for Subsequent Year's Expenditures		<u>1,413,920</u>
		<u>19,306,432</u>
Total Unassigned Fund Balance	\$	<u>1,835,671</u>

SECTION 3

Restricted Fund Balance - Reserved Excess Surplus \$ 693,968

Recapitulation of Excess Surplus as of June 30, 2023

Reserved Excess Surplus	\$	693,968
Reserved Excess Surplus - Designated for Subsequent Year Expenditures		-
Total Reserved Excess Surplus	\$	<u>693,968</u>

Detail of Allowable Adjustments

Extraordinary Aid (Excess of Budget)	\$	552,964
Non Public School Transportation Aid		41,184
	\$	<u>594,148</u>

**EDGEWATER BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

- * 1. The District implement and maintain a payroll deduction ledger by individual deduction category.
- 2. With respect to the payment of overtime and extra regular pay:
 - Hourly rates be calculated and paid based on the employment contract terms and be consistently applied.
 - All overtime and “extra regular pay” be pre-approved, as required by employment contract provisions.
 - Overtime and extra regular pay be processed only after a properly approved timesheet is provided to payroll.
- 3. The District remit its payroll tax deposits in a timely manner.
- 4. Payroll reports utilized to support amounts withheld, remitted or submitted with regard to payroll deductions be available for audit.
- 5. Employees enrolled in the DCRP contribute based on their total wages paid, as required.
- 6. The District prepare and remit the PERS pension report for the 2022/2023 retroactive payroll.
- 7. The District implement procedures to withhold paychecks or stop direct deposits until individuals produce appropriate identification when performing the tri-annual employee payroll verification.
- * 8. Procedures be reviewed and revised to ensure employee health benefit contributions are calculated in accordance with contractual agreements and Board policy.
- 9. The monthly financial reports of the Board Secretary and Treasurer of School Monies be submitted to and approved by the Board in a timely manner and they be in agreement.
- 10. Purpose and relevance statements be attached to travel reimbursement requests or purchase orders.
- 11. Employees and their respective salaries charged to federally funded grant programs be formally approved by Board resolution and include the grant program’s funding percentages. In addition, all employees charged to federally funded grant programs be included on the time and effort activity reports and their salaries be charged by pay period as incurred during the year.

III. School Purchasing Program

- * 12. It is recommended that continued efforts be made to ensure all contract awards and purchases that exceed the bid and quote thresholds are procured in accordance with the requirements of the Public School Contracts Law. In addition, cooperative purchasing program contract award documentation be maintained on file and verified to vendor invoices accordingly.

**EDGEWATER BOARD OF EDUCATION
RECOMMENDATIONS**

IV. School Food Service

There are none.

V. Student Body Activities

There are none.

VI. Preschool Program

13. It is recommended that with respect to the Preschool Program:

- * – Appropriate action be taken to eliminate the deficit in net position at June 30, 2023 in the Preschool Program Enterprise Fund.
- * – Program salaries and employee benefits be properly charged to the Preschool Program Enterprise Fund during the year.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

14. It is recommended that the District update its capital asset records on a timely basis to reflect all current year activity.

X. Testing for Lead of all Drinking Water in Educational Facilities

There are none.


XI. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken except those recommendations 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 us.

Respectfully submitted,
LERCH, VINCI & BLISS, LLP


Jeffrey C. Bliss
Public School Accountant
Certified Public Accountant