

**AUDITORS MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
SCHOOL DISTRICT OF THE
TOWN OF GUTTENBERG
COUNTY OF HUDSON, NEW JERSEY
JUNE 30, 2023**

TOWN OF GUTTENBERG SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

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

TABLE OF CONTENTS

	<u>Page</u> <u>No.</u>
Independent Auditors' Report	1
Scope of Audit	2
Administrative Practices and Procedures	
Insurance.....	2
Official Bonds	2
P.L. 2020, c. 44	2
Financial Planning, Accounting and Reporting	
Examination of Claims	3
Payroll Account	3
Employee Position Control Roster.....	4
Reserve for Encumbrances, Liability for Accounts Payable	4
Classification of Expenditures.....	4
Board Secretary's Records	5
Fixed Assets.....	5
Treasurer's Records	5
Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA)	5
Other Special Federal and/or State Projects.....	5
T.P.A.F. Reimbursement	6
T.P.A.F. Reimbursement to State for Federal Salary Expenditures.....	6
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	6
School Food Service	8
Student Body Activities	9
Application for State School Aid	9
Pupil Transportation	10
Continuing Disclosure Agreements	10
Testing for Lead of All Drinking Water in Educational Facilities	10
Suggestions to Management	10
Follow-up on Prior Year Findings	11
Acknowledgment	11
Schedule of Audited Enrollments.....	12
Schedule of Net Cash Resources	15
Excess Surplus Calculation.....	16
Audit Recommendations Summary	18



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, 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
Town of Guttenberg School District
County of Hudson, 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 Town of Guttenberg School District in the County of Hudson for the year ended June 30, 2023, and have issued our report thereon dated December 8, 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 Town of Guttenberg 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

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

Wielkocz & Company, LLC

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

December 8, 2023



TOWN OF GUTTENBERG SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

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

GENERAL COMMENTS

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, 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>
Jolene Mantineo	Board Secretary/School Business Administrator	\$250,000

P.L. 2020, c.44

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

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

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

TOWN OF GUTTENBERG SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

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

Financial Planning, Accounting and Reporting

Examination of Claims

Our examination of claims submitted for payment for the period under review did not indicate any discrepancies with respect to signatures, certifications or supporting documentation.

Payroll Account

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

All payrolls were being 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 withholdings due to the General Fund.

Payrolls were delivered to the secretary of the Board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

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.

The Board of Education made a merit bonus payment that a quantitative merit criterion or a qualitative merit criterion had been satisfied with prior approval by the district Board of Education and Executive County Superintendent, as required by N.J.A.C.6A:23A-3.1(e)10.iv.

TOWN OF GUTTENBERG SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

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

Financial Planning, Accounting and Reporting, (continued)

Employee Position Control Roster

Inquiry and subsequent review of the District's Position Control Roster found no inconsistencies between payroll records, employee benefit records and the general ledger accounts to which the wages are posted and the Position Control Roster.

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 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:23A-16.2(f) as part of our test of transactions of randomly selected expenditures. 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-8.2. As a result of the procedures performed, a transaction error rate of 2.06% was noted while testing the propriety of expenditure classification.

***Finding 2023-01:** There were instances in which expenditures in the following categories were not charged to the appropriate line item account in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools: Travel expense reimbursements were charged to incorrect budget lines and numerous fixed asset expenditures that met the capitalization threshold were charged as a general expense rather than to capital outlay appropriations. In addition, various sub accounts that are not included within the Uniform Minimum Chart of Accounts are being utilized to charge individual salaries within departments.

Recommendation: The District should reference the Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2020 Edition and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23-2.3(f).

TOWN OF GUTTENBERG SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

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

Financial Planning, Accounting and Reporting, (continued)

Board Secretary's Records

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

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

The District does not have a Treasurer.

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 in the Special Revenue section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I, II, III and IV of the Elementary and Secondary Education Act as amended.

The study of compliance for E.S.E.A. indicated 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 A and Schedule B 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 of the aforementioned special projects.

TOWN OF GUTTENBERG SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

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

Financial Planning, Accounting and Reporting, (continued)

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.

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.

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.

TOWN OF GUTTENBERG SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

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

School Purchasing Programs, (continued)

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.

TOWN OF GUTTENBERG SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

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

School Food Service

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 Free and Reduced Price meal eligible students during the emergency.

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

Net cash resources did exceed three month's average expenditures.

The statement of revenues, expenses and changes in net position (ACFR schedule B-5) does separate program and non-program revenues and program and non-program cost of goods sold.

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 contacts 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 Plain 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 FSMC did not apply for a loan with the Payroll Protection Plan.

TOWN OF GUTTENBERG SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

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

School Food Service, (continued)

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G of the Annual Comprehensive Financial Report.

***Finding 2023-02:** Net cash resources exceeded three months average expenditures.

***Recommendation:** Steps be taken to reduce the net cash resources in the District Food Service Fund.

Student Body Activities

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 14, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bilingual and low-income. 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 exception. The results of our procedures are presented in the Schedule of Audited Enrollment.

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.

***Finding 2023-03:** There were instances in which the workpapers provided by the district were not in agreement with what was reported on the 2023-2024 ASSA Data Listing. The following errors were noted in the following categories: Low Income (1), Resident LEP Low Income (3), and Resident LEP not Low Income (1).

Recommendation: The district should revise workpapers to reflect corrections made during the review process prior to entering the counts in the ASSA Data Listing to ensure the workpapers agree to what's reported.

TOWN OF GUTTENBERG SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

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

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 without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Other 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.

Continuing Disclosure Agreements

The District has no outstanding bond issuances that require continuing disclosure agreements compliance.

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).

Suggestions to Management

- The District is issuing “dummy” checks to record the wire transfers for the payment of health benefits. The District should inquire with the software company as to how to delineate a wire transfer in the system rather than a check number being assigned that is subsequently voided.
- District should enroll in a verification application with the State of New Jersey to ensure taxes are being remitted by their payroll service provider.
- The inactive internal service fund (Property account) should be closed.

TOWN OF GUTTENBERG SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

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

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations, including findings. Corrective action has been taken on all prior year findings with the exception of those noted with an “*”.

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

Wielkotz & Company, LLC

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

December 8, 2023

SCHEDULE OF AUDITED ENROLLMENTS

**TOWN OF GUTTENBERG
BOARD OF EDUCATION**

**Application for State School Aid Summary
Enrollment as of October 14, 2022**

Year ended June 30, 2023

Enrollment category	2023-2024 Application for State School Aid			Sample for Verification			Private Schools for the Disabled		
	Reported on A.S.S.A. on roll	Reported on workpapers on roll	Errors	Sample Selected from Workpapers	Registers on roll	Errors	Reported on A.S.S.A. as Private Schools	Sample for Verification	Errors
	Full	Shared	Full	Full	Shared	Full	Full	Shared	Full
Half Day Preschool 4yrs	35	-	-	35	-	-	35	-	-
Full Day Kindergarten	88	-	-	88	-	-	88	-	-
One	86	-	-	86	-	-	86	-	-
Two	78	-	-	78	-	-	78	-	-
Three	102	-	-	102	-	-	102	-	-
Four	91	-	-	91	-	-	91	-	-
Five	100	-	-	100	-	-	100	-	-
Six	113	-	-	113	-	-	113	-	-
Seven	81	-	-	81	-	-	81	-	-
Eight	88	-	-	88	-	-	88	-	-
Subtotal	862	-	-	862	-	-	862	-	-
Special Ed - Elementary	64	-	-	50	-	-	50	-	-
Special Ed - Middle School	23	-	-	16	-	-	16	-	-
Special Ed - High School	-	-	-	-	-	-	-	-	-
	949	-	-	928	-	-	928	-	-
Percentage			0%			0%			0%

SCHEDULE OF AUDITED ENROLLMENTS

TOWN OF GUTTENBERG
BOARD OF EDUCATION

Application for State School Aid Summary
Enrollment as of October 14, 2022

Year ended June 30, 2023

Enrollment category	Reported on A.S.S.A. as Low Income		Low Income Reported on workpapers as Low Income		Sample for Verification		Sample for Verification		Resident LEP Low Income		Sample for Verification			
	Income	Errors	workpapers	Income	Registered Application and Register	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	Sample Selected from Workpapers	Verified to Test score and Register	Sample Errors
Full Day Kindergarten	65	1	64	22	22	-	22	22	-	28	28	18	18	-
One	60	-	60	20	20	-	20	20	-	28	28	18	18	-
Two	58	-	58	19	19	-	19	19	-	20	20	12	12	-
Three	80	-	80	27	27	-	27	27	-	34	34	20	20	-
Four	76	-	76	25	25	-	25	25	-	11	12	7	7	-
Five	72	-	72	25	25	-	25	25	-	12	12	7	7	-
Six	84	-	84	28	28	-	28	28	-	20	20	12	12	-
Seven	61	-	61	20	20	-	20	20	-	6	6	4	4	-
Eighth	67	-	67	22	22	-	22	22	-	13	13	8	8	-
Subtotal	623	1	622	208	208	-	208	208	-	170	173	106	106	-
Special Ed - Elementary	49	2	47	16	16	-	16	16	-	2	2	1	1	-
Special Ed - Middle School	21	-	21	8	8	-	8	8	-	-	-	-	-	-
Subtotal	70	2	68	24	24	-	24	24	-	2	2	1	1	-
Totals	693	3	690	232	232	-	232	232	-	172	175	107	107	-
Percentage		0%							0%		-2%			0%
Transportation														
Category	Reported on DR/RS by DOE	Reported on DR/RS by District	Tested	Verified	Errors	Errors						Reported	Re-calc.	
Reg - Public Schools, col. 1	2	2	2	2	-	-						3.2	3.2	3.2
Reg - SpEd, col. 4	3	3	-	-	-	-						3.2	3.2	3.2
Transported - Non-Public, col. 3	-	-	-	-	-	-						5.7	5.7	5.7
Special Ed Spec, col. 6	19	19	16	16	-	-								
Totals	24	24	18	18	-	-								
Percentage									0%					

SCHEDULE OF AUDITED ENROLLMENTS

**TOWN OF GUTTENBERG
BOARD OF EDUCATION**

**Application for State School Aid Summary
Enrollment as of October 14, 2022**

Year ended June 30, 2023

Enrollment category	Reported on		Resident LEP NOT Low Income		Sample for Verification	
	A.S.A. As NOT Low Income	As Reported on workpapers as NOT Low Income	Errors	Sample selected from workpapers	Verified to Test Scores and Register	Errors
Full Day Kindergarten	4	4	-	3	3	-
One	12	12	-	9	9	-
Two	7	7	-	5	5	-
Three	7	7	-	5	5	-
Four	7	8	(1)	5	5	-
Five	9	9	-	7	7	-
Six	6	6	-	5	5	-
Seven	5	5	-	4	4	-
Eight	7	7	-	5	5	-
Subtotal	64	65	(1)	48	48	-
Special Ed - Elementary	1	1	-	1	1	-
Special Ed - Middle School	-	-	-	-	-	-
Subtotal	1	1	-	1	1	-
Totals	65	66	(1)	49	49	-
Percentage			-2%			0%

**TOWN OF GUTTENERG
BOARD OF EDUCATION**

**Net cash resources did exceed three months of expenditures
Proprietary Funds - Food Service
Year ended June 30, 2023**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
ACFR	*	Current Assets	
B-4		Cash & Cash Equiv.	318,288
B-4		Due from Other Gov'ts	35,734
B-4		Accounts Receivable	-
B-4		Due from Other Funds	
ACFR		Current Liabilities	
B-4		Less Accounts Payable	(33,842)
B-4		Less Accruals	
B-4		Less Due to Other Funds	(37,349)
B-4		Less Unearned Revenue	(584)
		Net Cash Resources	282,247
			(A)
 <u>Net Adj. Total Operating Expense:</u>			
B-5		Tot. Operating Exp.	687,168
B-5		Less Depreciation	(2,960)
		Adj. Tot. Oper. Exp.	684,208
			(B)
 <u>Average Monthly Operating Expense:</u>			
		B / 10	68,421
			(C)
 <u>Three times monthly Average:</u>			
		3 X C	205,262
			(D)

TOTAL IN BOX A	282,247	
LESS TOTAL IN BOX D	205,262	
NET	76,985	
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

**GUTTENBERG 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>23,933,811</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>3,575,982</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u> </u>	(B2b)
Adjusted 22-23 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$	<u>20,357,829</u>	(B3)
2% of Adjusted 2022-23 General Fund Expenditures [(B3) times .04]	\$	<u>407,157</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>407,157</u>	(B5)
Increased by: Allowable Adjustment *	\$	<u>50,762</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$	<u><u>457,919</u></u>	(M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-23 (Per ACFR Budgetary Comparison Schedule C-1))	\$	<u>12,026,661</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>288,626</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	<u> -</u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>4,531,628</u>	(C3)
Other Restricted Fund Balances****	\$	<u>3,236,001</u>	(C4)
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	\$	<u>264,588</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$	<u><u>3,705,818</u></u>	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$	<u><u>3,247,899</u></u>	(E)
--	----	-------------------------	-----

Recapitulation of Excess Surplus as of June 30, 2023

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>4,531,628</u>	(C3)
Reserved Excess Surplus ***[(E)]	\$	<u>3,247,899</u>	(E)
Total [(C3) + (E)]	\$	<u><u>7,779,527</u></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 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	\$ 50,762	(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)]	\$ 50,762	(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 another 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	\$ 3,236,001	
Capital Reserve - Designated for Subsequent Years' Budget	\$ -	
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	\$ -	
[Other Restricted Fund Balance not noted above]****	\$ _____	
Total Other Restricted Fund Balance	\$ 3,236,001	(C4)

**GUTTENBERG 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 reference the Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2020 Edition and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23-2.3(f).

3. School Purchasing Programs

None

4. School Food Service

*Steps be taken to reduce the net cash resources in the District's Food Service Fund.

5. Student Body Activities

None

6. Application for State School Aid

*The District should revise workpapers to reflect corrections made during the review process prior to entering the counts in the ASSA Data Listing to ensure the workpapers agree to what's reported.

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

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, except those noted with an "*".