

**INTERLAKEN SCHOOL DISTRICT**

**AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**

**INTERLAKEN SCHOOL DISTRICT  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**TABLE OF CONTENTS**

	<u>Page No.</u>
Report of Independent Auditors	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	2
Payroll Account and Position Control Roster	2
Reserve for Encumbrances and Accounts Payable	2
Classification of Expenditures	2
General Classifications	2
Administrative Classifications	2
Board Secretary's Records	3
Treasurer's Records	3
Elementary and Secondary Education Act as amended by Every Student Succeeds Act (ESSA)	3
Other Special State Projects	3
School Purchasing Programs	3
Contracts and Agreements Requiring Advertisement for Bids	3
Application for State School Aid (ASSA)	3
Pupil Transportation	4
Follow-up on Prior Year Findings	4
Acknowledgment	4
Schedule of Audited Enrollments	5 to 7
Excess Surplus Calculation	8 to 9
Audit Recommendations Summary	10

# ALVINO & SHECHTER, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

110 Fortunato Place

Neptune, New Jersey 07753-3767

VINCENT J. ALVINO, CPA, PSA  
ALLEN B. SHECHTER, CPA, RMA, PSA

Phone: (732) 922-4222  
Fax: (732) 922-4533

Member

American Institute of Certified Public Accountants  
New Jersey Society of Certified Public Accountants  
PCPS of the AICPA Division of CPA Firms

## REPORT OF INDEPENDENT AUDITORS

Honorable President and  
Members of the Board of Education  
Interlaken School District  
County of Monmouth, New Jersey

We have audited, in accordance with generally accepted audit standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Interlaken School District in the County of Monmouth for the 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 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 Interlaken 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.



Licensed Public School Accountant

No. 2183

ALVINO & SHECHTER, L.L.C.

November 30, 2023

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

**Scope of Audit**

The audit covered the financial transactions of the 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**

Insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's ACFR.

**Official Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Frank Gripp III	School Business Administrator	\$225,000.00

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

The District has no employees receiving health benefits.

**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 and Position Control Roster**

Due to the District only having one employee a salary account, agency account and a position control roster were not maintained. Salary deductions were correctly remitted to the proper agency.

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

**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 state financial assistance audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**A. General Classification Findings**

None

**B. Administrative Classification Findings**

None

### Board Secretary's Records

The records of the Board Secretary were properly maintained during the fiscal year ended June 30, 2023.

### Treasurer's Records

The District passed a resolution on July 27, 2011 in accordance with Chapter 39, P.L. 2010, not to appoint a treasurer of school monies and to have the School Business Administrator assume the duties of the treasurer of school monies.

All records/reports formerly kept by the treasurer were properly maintained by the School Business Administrator for the fiscal year ended June 30, 2023.

### Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

There were no Title I funds received for the fiscal year ended June 30, 2023.

### Other Special State Projects

There were no special state project funds received for the fiscal year ended June 30, 2023.

### 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 \$44,000.00 (with a qualified Purchasing Agent) and \$32,000.00 (without a qualified Purchasing Agent). The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$20,200.00 for 2022-23.

The board of education has the responsibility of determining whether the expenditure 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 solicitor'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 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.

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

The minutes, vouchers and other supporting records indicate that no bids were required to be advertised during the year.

### 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 school 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 equivalent.

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

### **Pupil Transportation**

Our 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. 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 service.

### **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 was taken on all prior year recommendations.

### **Acknowledgment**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

**SCHEDULE OF AUDITED ENROLLMENTS**

**INTERLAKEN SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2022**

	2023-2024 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- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool																	
Full Day Preschool																	
Half Day Kindergarten																	
Full Day Kindergarten																	
One																	
Two																	
Three																	
Four																	
Five																	
Six																	
Seven																	
Eight																	
Nine																	
Ten																	
Eleven																	
Twelve																	
Post-Graduate																	
Adult H.S. (15+CR.)																	
Adult H.S. (1-14 CR.)																	
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Ed - Elementary																	
Special Ed - Middle School																	
Special Ed - High School																	
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Co. Voc. - Regular																	
Co. Voc. Ft. Post Sec.																	
Totals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Percentage Error					0%	0%						0%	0%				0%

**SCHEDULE OF AUDITED ENROLLMENTS**

**INTERLAKEN SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2022**

9

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as LEP Low Income</u>	<u>Reported on Workpapers as LEP Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten												
One												
Two												
Three												
Four												
Five												
Six												
Seven												
Eight												
Nine												
Ten												
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Special Ed - Elementary												
Special Ed - Middle												
Special Ed - High												
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Co. Voc. - Regular												
Co. Voc. Ft. Post. Sec.												
Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Percentage Error			<u>0%</u>			<u>0%</u>			<u>0%</u>			<u>0%</u>

	<u>Transportation</u>						<u>Reported</u>	<u>Recalculated</u>
	<u>Reported on DRTRS by DOE/County</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>		
Reg. - Public Schools, col. 1	40	40		40	40			
Reg - SpEd, col. 4	1	1		1	1			
Non-Public All., col 3	17	17		17	17			
Transported - Non-Public, col. 2	8	8		8	8			
Special Ed Spec, col. 6	6	6		6	6			
Totals	<u>72</u>	<u>72</u>	<u>0</u>	<u>72</u>	<u>72</u>	<u>0</u>		
Percentage Error			<u>0%</u>			<u>0%</u>		
						Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)	6.0	
						Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part A)	6.0	
						Spec. Avg.(Mileage) = Special ed with special needs	5.5	



**SCHEDULE OF AUDITED ENROLLMENTS**

**INTERLAKEN SCHOOL DISTRICT**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 14, 2022**

	<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						
One						
Two						
Three						
Four						
Five						
Six						
Seven						
Eight						
Nine						
Ten						
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Percentage Error			<u>0%</u>			<u>0%</u>

**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>971,712.48</u> (B)
Increased by Applicable Transfers:	
Transfer from Capital Outlay to Capital Projects Fund	\$ _____(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____(B1b)
Transfer from General Fund to SRF for Pre K - Regular	\$ _____(B1c)
Transfer from General Fund to SRF for Pre K - Inclusion	\$ _____(B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>1,415.28</u> (B2a)
Assets Acquired Under Capital Assets	\$ _____(B2b)
Adjusted 2022-2023 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>970,297.20</u> (B3)
2% of Adjusted 2022-2023 General Fund Expenditures [(B3) times.02]	\$ <u>19,405.94</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>250,000.00</u> (B5)
Increased by: Allowable Adjustment	\$ <u>7,412.00</u> (K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(B5)+(K)]	\$ <u>257,412.00</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-23 (Per ACFR Budgetary Comparison Schedule C-1)	\$ <u>269,496.76</u> (C)
Decreased by:	
Year-End Encumbrances	\$ _____(C1)
Legally Restricted-Designated for Subsequent Year's Expenditures	\$ _____(C2)
Legally Restricted-Excess Surplus-Designated for Subsequent Year's Expenditures	\$ _____(C3)
Other Restricted Fund Balances	\$ <u>58,635.78</u> (C4)
Assigned Fund Balance - Unreserved-Designated for Subsequent Year's Expenditures	\$ <u>31,658.00</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u>179,202.98</u> (U1)

**SECTION 3**

Restricted Fund Balance-Excess Surplus [(U1)-(M)] IF NEGATIVE ENTER -0- \$           .00(E)

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

Restricted Excess Surplus-Designated for Subsequent Year's Expenditures \$           .00(C3)  
Restricted Excess Surplus [(E)] \$           .00(E)  
Total [(C3)+(E)] \$           .00(D)

**Detail of Allowable Adjustments**

Impact Aid \$           (H)  
Sales & Lease-back \$           (I)  
Extraordinary Aid \$           (J1)  
Additional Nonpublic School Transportation Aid \$   7,412.00(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)] \$   7,412.00(K)

**Detail of Other Restricted Fund Balance**

Statutory restrictions:  
Approved unspent separate proposal \$             
Sale/lease-back reserve \$             
Capital reserve \$   36,497.78  
Maintenance reserve \$             
Emergency reserve \$   22,138.00  
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 \$   58,635.78(C4)

**INTERLAKEN SCHOOL DISTRICT**  
**AUDIT RECOMMENDATIONS SUMMARY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Recommendations:**

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

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

None

10. Follow-up on Prior Year Findings

Corrective action was taken on all recommendations.