

**NEW MILFORD BOARD OF EDUCATION  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2023**

**NEW MILFORD BOARD OF EDUCATION  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and  
Members of the Board of Education  
New Milford Board of Education  
145 Madison Avenue  
New Milford, New Jersey 07646

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 New Milford Board of Education as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated March 5, 2024.

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 solely for the information and use of management, the Board of Education, others within the District and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

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

Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
March 5, 2024

**NEW MILFORD 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 the Insurance Schedule (Exhibit J-20) included in the District's Annual Comprehensive Financial Report (ACFR).

Officials Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Stephanie Kuchar	School Business Administrator/ Board Secretary	\$300,000
Kelly Ippolito	Treasurer of School Monies	\$300,000

There is Public Employee Dishonesty coverage with Great American Insurance Company, with a limit of \$100,000 per employee and \$500,000 per loss.

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.

Tuition Charges

The District's tuition contracts specify that tuition charges are not subject to annual tuition adjustment.

**Financial Planning, Accounting and Reporting**

Examination of Claims

An examination of claims paid during the period under review did not reveal any material discrepancies with respect to 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 tested were approved by the Superintendent and certified by the President of the Board and the Board Secretary/School Business Administrator.

**NEW MILFORD 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)

Salary withholdings were promptly remitted to the proper agencies, including health benefit withholdings due to other funds. The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

The School Business Administrator completed and filed the required Certificates of Compliance with federal and state law with respect to the reporting of compensation for certain employees.

Reserve for Encumbrances and Accounts Payable

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

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6:A23-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, no material transaction errors were noted and therefore, no additional procedures were deemed necessary to test the propriety of expenditure classification.

Travel

The District had an approved Board travel policy as required by N.J.A.C. 6:23A-6.13 and N.J.S.A. 18A:11-12.

Board Secretary's Records

The financial records, books of account and minutes were maintained by the School Business Administrator/Board Secretary.

Acknowledgment of the Board's receipt of the Board Secretary and Treasurer's monthly financial reports and required certifications were included in the minutes.

The prescribed contractual order system was followed.

We noted that the Administrative Information Technology, Supplies and Materials budget line item was overexpended at year end. This was a result of year-end adjustments therefore an audit recommendation is not warranted.

**Finding 2023-1** - Our audit revealed the financial activity of the Food Service Enterprise Fund is not recorded in the District's financial accounting and reporting system.

**Recommendation** – The financial transactions of the Food Service Enterprise Fund be recorded and reported in the District's financial accounting and reporting system.

**Finding 2023-2** – Our audit noted that the original appropriation amounts of certain General Fund and Special Revenue Fund accounts were not in agreement with the amounts included in the 2022/23 adopted budget.

**Recommendation** – The original budget reported in the financial accounting records be in agreement with the District's adopted budget.

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

**Financial Planning, Accounting and Reporting (Continued)**

Treasurer's Records

The Treasurer did perform cash reconciliations for all District accounts. (N.J.S.A. 18A:17-36).

All cash receipts were promptly deposited.

The Treasurer's records agreed with the records of the Board Secretary.

The Treasurer's cash balances agreed with the reconciled cash balances as determined during the audit.

**Finding 2023-3**– Several of the district’s bank reconciliations contain numerous reconciling items including amounts transferred between District bank accounts.

**Recommendation** – Reconciling items on the District’s bank reconciliations be reviewed and cleared of record in a timely manner.

Unemployment Compensation Insurance Account

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Account. The financial transactions of this fund are reported in the General Fund.

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. The section of the ACFR documents the financial position pertaining to projects under Title I, Title II and Title III of the Elementary and Secondary Education Act as amended.

Our examination of the E.S.E.A. 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.

I.D.E.A. Part B

Separate accounting records were maintained for each approved project.

Grant application approvals and acceptance of grant funds were made by Board resolution.

Nonpublic State Aid

Project Completion Reports were finalized and transmitted to the State by the due date.

Other Special Federal and/or State Projects

**Finding 2023-4 (ACFR Finding 2023-001)** – Our audit of the ARP-ESSER grant program revealed that three employees charged to the program did not have time and effort activity reports on file.

**Recommendation** – Time and effort activity reports be available for all employees charged to the ARP-ESSER grant program.

**Finding 2023-5** – Our audit noted that certain grant budget line items were overexpended at June 30, 2023.

**Recommendation** – The District continue to monitor their grant budget appropriations to ensure that sufficient resources are available to meet the operating expenses of the District.

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

Our examination 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 contained herein represent a true statement of the financial position pertaining to the aforementioned special projects.

**NEW MILFORD 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. Reimbursement**

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. 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 Report for all federal awards for the school district to reimburse the State for the TPAF Social Security 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.

**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-3A 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 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.

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.

**Finding 2023-6** – Our audit of expenditures revealed the following:

- Contracts/purchases in excess of the bid threshold were not always approved in the minutes.
- Supporting detail for certain purchases made in accordance with State and cooperative purchasing contracts was not available for audit.

**Recommendation** – It is recommended that with respect to school purchasing:

- a) Contracts/purchases in excess of the bid threshold be approved by the Board and included in the official minutes.
- b) Amounts paid through State contract and cooperative purchasing agreements be verified to State contract and cooperative purchasing documentation.

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

**School Food Services**

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 selected and audited as a major federal program in accordance with Uniform Guidance.

The financial transactions and records of the school food services were maintained in good condition. The financial accounts and records were reviewed on a test-check basis. Cash receipts and bank records were reviewed for timely deposits. 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

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 an operating results provision which guarantees that the food service program will have no cost or breakeven food service operation, including the management fee. The operating results provision has been met for the current fiscal year.

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 disbursements records reflected expenditures for program related goods and services. The Districts deposited program monies and made expenditures in accordance with N.J.S.A. 18A:17-34. 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. The District has developed a multi-year plan to eliminate the excess net cash resources in the Food Service Fund.

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

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.

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



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

**Other Enterprise Funds**

**Latch Key Programs, Broadway Kids Summer, After School Enrichment Program and Summer Music Program**

The District provides a before and after school child care program, a summer enrichment program and an after school enrichment program for district students. The accounting records maintained for the programs were in satisfactory condition.

**Student Activity Funds**

The Board has a policy which clearly established the regulation of student activity funds. Limited activity was noted in the current year in the elementary school account.

Cash receipts and disbursement records were maintained in good condition.

Pre-numbered receipt tickets were not utilized for monies collected in the Elementary and Middle School. Effective July 1, 2023, new procedures were implemented and pre-numbered receipts are utilized.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual education. 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 immaterial exceptions noted. The information that was included on the workpapers was verified with immaterial exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

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

**Pupil Transportation**

Our audit procedures included a test of on-roll status reported in the 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 information on the DRTRS was compared to the district workpapers with immaterial exceptions noted. 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 State School Development Authority (SDA) grant projects during the year.

**Finding 2023-7** – Our audit of capital assets revealed that balances per the district’s capital asset inventory report are not in agreement with the audit balances. In addition, prior year and current year additions were not always accurately reported.

**Recommendation** – The capital asset report be updated, completed in a timely manner and reconciled to the audit balances.

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

**Testing for Lead of all Drinking Water in Educational Facilities**

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

**Follow-up on Prior Year Findings**

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations.

**NEW MILFORD BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
SCHEDULE OF MEAL COUNT ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOT APPLICABLE

**FOOD SERVICE ENTERPRISE FUND  
CALCULATION OF NET CASH RESOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 882,787
Due from Other Governments	13,384
Accounts Receivable	28,411
 <b>Current Liabilities</b>	
Accounts Payable	(94,743)
Unearned Revenue	(23,075)
Due to Other Funds	(58,524)
<b>Net Cash Resources</b>	<b>\$ 748,240</b>
 <b><u>Adjusted Total Operating Expenses:</u></b>	
Total Operating Expenses	\$ 967,992
Less Depreciation	(8,243)
Adjusted Total Operating Expenses	<b>\$ 959,749</b>
 <b><u>Average Monthly Operating Expenses:</u></b>	
	<b>\$ 95,975</b>
 <b><u>Three Times Monthly Average:</u></b>	
	<b>\$ 287,925</b>
Total Net Cash Resources	\$ 748,240
Three Times Monthly Average	287,925
Excess Net Cash Resources	<b>\$ 460,315</b>

**NEW MILFORD PUBLIC SCHOOLS  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 14, 2022**

	2023-24 Application for State School Aid						Sample for Verification						Private Schools for Disabled				
	Reported on Original A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register 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					
Full Day Kindergarten	122	-	122	-	-	-	57	-	56	-	1	-	-	-	-	-	-
Grade 1	138	-	138	-	-	-	75	-	75	-	-	-	-	-	-	-	-
Grade 2	141	-	141	-	-	-	78	-	78	-	-	-	-	-	-	-	-
Grade 3	140	-	140	-	-	-	79	-	79	-	-	-	-	-	-	-	-
Grade 4	152	-	152	-	-	-	73	-	73	-	-	-	-	-	-	-	-
Grade 5	117	-	117	-	-	-	60	-	60	-	-	-	-	-	-	-	-
Grade 6	127	-	127	-	-	-	127	-	127	-	-	-	-	-	-	-	-
Grade 7	128	-	128	-	-	-	128	-	128	-	-	-	-	-	-	-	-
Grade 8	134	-	134	-	-	-	134	-	134	-	-	-	-	-	-	-	-
Grade 9	112	1	112	1	-	-	112	1	112	1	-	-	-	-	-	-	-
Grade 10	126	1	126	1	-	-	126	1	126	1	-	-	-	-	-	-	-
Grade 11	110	-	110	-	-	-	110	-	110	-	-	-	-	-	-	-	-
Grade 12	124	1	124	1	-	-	124	1	124	1	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>1,671</b>	<b>3</b>	<b>1,671</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>1,283</b>	<b>3</b>	<b>1,282</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Sp Ed- Elementary	146	-	146	-	-	-	34	-	34	-	-	-	4	1	1	-	-
Sp Ed - Middle School	86	-	86	-	-	-	86	-	86	-	-	-	-	-	-	-	-
Sp Ed - High School	111	1	109	1	2	-	109	1	109	1	-	-	8	3	3	-	-
<b>Subtotal</b>	<b>343</b>	<b>1</b>	<b>341</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>229</b>	<b>1</b>	<b>229</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>2,014</b>	<b>4</b>	<b>2,012</b>	<b>4</b>	<b>2</b>	<b>-</b>	<b>1,512</b>	<b>4</b>	<b>1,511</b>	<b>4</b>	<b>1</b>	<b>-</b>	<b>12</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>-</b>
Percentage Error					<u>0.10%</u>	<u>0.00%</u>					<u>0.07%</u>	<u>0.00%</u>					<u>0.00%</u>

**NEW MILFORD PUBLIC SCHOOLS  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 14, 2022  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	22	22	-	4	4	-	2	2	-	1	1	
Grade 1	23	23	-	5	5	-	5	5	-	2	2	
Grade 2	19	19	-	4	4	-	2	2	-	1	1	
Grade 3	15	15	-	3	3	-	1	1	-	1	1	
Grade 4	22	22	-	4	4	-	-	-	-	-	-	
Grade 5	22	22	-	4	4	-	1	1	-	-	-	-
Grade 6	25	25	-	5	5	-	-	-	-	-	-	
Grade 7	15	15	-	3	3	-	1	1	-	-	-	
Grade 8	21	21	-	4	4	-	-	-	-	-	-	
Grade 9	22	21	1	5	5	-	3	3	-	1	1	
Grade 10	16	16	-	3	3	-	1	1	-	-	-	
Grade 11	9	9	-	2	2	-	-	-	-	-	-	
Grade 12	17	17	-	3	3	-	-	-	-	-	-	
Subtotal	248	247	1	49	49	-	16	16	-	6	6	-
Sp Ed - Elementary	16	16	-	3	3	-	-	-	-	-	-	-
Sp Ed - Middle School	16	16	-	3	3	-	-	-	-	-	-	-
Sp Ed - High School	19	19	-	4	4	-	-	-	-	-	-	-
Subtotal	51	51	-	10	10	-	-	-	-	-	-	-
Totals	299	298	1	59	59	-	16	16	-	6	6	-
Percentage Error			0.33%			0.00%			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	46	46	-	11	11	-
Transported - Non - Public	111	111	-	24	24	-
Special Ed. - Public	84	84	-	18	17	(1)
Special Needs - Public	16	16	-	3	3	-
Subtotal	257	257	-	56	55	(1)
Percentage Error			0.00%			-1.79%

**NEW MILFORD PUBLIC SCHOOLS  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 14, 2022  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on A.S.S.A	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Register	Sample Errors
Full Day Kindergarten	9	9		3	3	
Grade 1	6	6		2	2	
Grade 2	5	5		2	2	
Grade 3	3	3		1	1	
Grade 4	2	2				
Grade 5						
Grade 6						
Grade 7	4	4		1	1	
Grade 8	1	1				
Grade 9	1	1				
Grade 10	2	2		1	1	
Grade 11	1	1				
Grade 12	2	2	-	1	1	-
Subtotal	<u>36</u>	<u>36</u>	<u>-</u>	<u>11</u>	<u>11</u>	<u>-</u>
Sp Ed - Elementary						
Sp Ed - Middle School						
Sp Ed - High School	-	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>36</u>	<u>36</u>	<u>-</u>	<u>11</u>	<u>11</u>	<u>-</u>
		<u>0.00%</u>			<u>0.00%</u>	

**NEW MILFORD BOARD OF EDUCATION  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2022-2023 Total General Fund Expenditures (Budgetary Basis)	\$ 52,248,000
Increased by:	
Transfers to Special Revenue Fund	31,000
	52,279,000
Decreased by:	
Assets Acquired Under Capital Leases	(411,361)
On-Behalf TPAF Pension & Social Security	(9,242,981)
Adjusted 2022-2023 General Fund Expenditures	\$ 42,624,658
2% of Adjusted 2022-2023 General Fund Expenditures	\$ 852,493
Enter Greater of 2% of Adjusted 2022-2023 General Fund Expenditures or \$250,000	\$ 852,493
Increased by Allowable Adjustments*	755,976
Maximum Unassigned Fund Balance	\$ 1,608,469
Total General Fund - Fund Balance at June 30, 2023	\$ 11,812,004
Decreased by:	
Restricted	
Capital Reserve	4,735,345
Maintenance Reserve	647,236
Emergency Reserve	400,324
Unemployment Compensation Reserve	226,234
Excess Surplus - Designated for Subsequent Year's Budget	1,434,920
Assigned	
Insurance Recovery Expenditures	22,727
Year-End Encumbrances	380,126
Total Unassigned Fund Balance	\$ 3,965,092
Restricted Fund Balance - Excess Surplus	\$ 2,356,623
<b><u>Recapitulation of Excess Surplus</u></b>	
Excess Surplus	\$ 2,356,623
Excess Surplus - Designated for Subsequent Year's Expenditures	1,434,920
	\$ 3,791,543
* <b><u>Detail of Allowable Adjustment (Unbudgeted Revenues)</u></b>	
Extraordinary Aid	\$ 282,424
Nonpublic School Transportation	76,056
Supplemental Stabilization Aid	397,496

**NEW MILFORD BOARD OF EDUCATION  
RECOMMENDATIONS**

**I. Administration Practices and Procedures**

There are none.

**II. Financial Planning, Accounting and Reporting**

It is recommended that:

- \* 1. The financial transactions of the Food Service enterprise fund be recorded and reported in the District's financial accounting and reporting system.
- 2. The original budget reported in the financial accounting records be in agreement with the District's adopted budget.
- \* 3. Reconciling items on the District's bank reconciliations be reviewed and cleared of record in a timely manner.
- 4. Time and effort activity reports be available for all employees charged to the ARP-ESSER grant program.
- 5. The District continue to monitor their grant budget appropriations to ensure that sufficient resources are available to meet the operating expenses of the District.

**III. School Purchasing Program**

- \* 6. It is recommended that with respect to school purchasing:
  - a) Contracts/purchases in excess of the bid threshold be approved by the Board and included in the official minutes.
  - b) Amounts paid through State contract and cooperative purchasing agreements be verified to State contract and cooperative purchasing documentation.

**IV. School Food Services**

There are none.

**V. Latch Key/Broadway Kids Summer/After School Enrichment Programs/Summer Music Programs**

There are none.

**VI. Student Body Activities**

There are none.

**VII. Application for State School Aid**

There are none.

**VIII. Pupil Transportation**

There are none.



**NEW MILFORD BOARD OF EDUCATION  
RECOMMENDATIONS**

**IX. Facilities and Capital Assets**

- \* 7. It is recommended that the capital asset report be updated, completed in a timely manner and reconciled to the audit balances.

**X. Miscellaneous**

There are none.

**XI. Status of Prior Year's Audit Findings/Recommendations**

A review was performed on all prior year recommendations. Correction action was taken on all prior year recommendations except the items 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 the members of the audit team.