

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

**OLD TAPPAN BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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INDEPENDENT AUDITOR'S MANAGEMENT REPORT

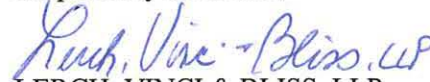
Honorable President and Members
of the Board of Education
Old Tappan Board of Education
277 Old Tappan Road
Old Tappan, New Jersey 07675


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 Old Tappan Board of Education 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 solely for the information and use 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.

Respectfully submitted,


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


Gary J. Vinci
Public School Accountant
PSA Number CR00829

Fair Lawn, New Jersey
November 30, 2023

**OLD TAPPAN 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 Moneys, the activities of the Board of Education, 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) as reported in the District's Annual Comprehensive Financial Report (the "ACFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Douglas Barrett, CPA	Board Secretary/School Business Administrator	\$ 25,000
Antoinette Kelly	Treasurer of School Monies	250,000

There is an Employee Dishonesty coverage of \$100,000 with NESBIG.

P.L. 2020, c.44

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

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

The school district data certification was completed by the Chief School Administrator. The school district Chapter 44 data was submitted timely.

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 each signatures, certifications and proper itemization.

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 certified by the President of the Board, the Board Secretary/Business Administrator and the Chief School Administrator.

Salary withholdings were promptly remitted to proper agencies, including employee health benefit premium contributions due to the General Fund. The District completed and filed the required Certification of Compliance with Federal and State Law respecting the reporting of compensation for certain employees.

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

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

Financial Planning, Accounting and Reporting (Continued)

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with NJAC 6A:23A-8.3.

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, a sample of the 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.

Travel

The Board adopted a policy in compliance with New Jersey Statutes and Administrative Code and the Office of Management and Budget Circulars.

Board Secretary's Records

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

The prescribed contractual order system was followed.

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

Treasurer's Records

The Treasurer performed cash reconciliations for the general operating, payroll account and payroll agency account (N.J.S.A 18A:17-36). The Treasurer's records were in agreement with the records of the Board Secretary.

Unemployment Compensation Insurance Trust Fund

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

Other Special Federal and/or State Projects

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

Our audit 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 in the Special Revenue section of the ACFR. This section of the ACFR reports the financial position pertaining to the aforementioned special projects.

**OLD TAPPAN 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 reimbursements filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

Salaries and wages were not charged to the Special Revenue Fund federal grants. Thus, the Board is not required to submit a TPAF/FICA reimbursement to the State.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 (as amended) and 18A:18A-3 are \$44,000 (with a qualifying purchasing agent) and \$32,000 (without a qualifying 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 appointed the School Business Administrator as a qualified purchasing agent. The Board of Education has adopted a resolution increasing the bid threshold to \$44,000.

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 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 revealed no instances where the individual payments, contracts, or agreements were made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, as amended.

Resolutions were adopted authorizing the awarding of 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, however, that purchases were made through the use of State contracts.

Food Service Fund

The Board has discontinued the use of the School Food Service Program.

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

Student Activity Fund

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

Cash receipts and disbursements records for the elementary schools were maintained in good condition.

Cash disbursements tested had proper supporting documentation.

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 school for the handicapped, bilingual students and low-income. We also performed a review of the district procedures related to its completion. The information on the ASSA was compared to the district workpapers without exception. The information that was included on the workpapers was verified with one minor 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 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.

Facilities and Capital Assets

Our procedures included a review of the transfer of local funds from the general fund or from the capital reserve account and the reporting of the District's capital assets.

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.

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 unexpended Local Projects balances in the Special Revenue Fund be reviewed and cleared of record.
- Reconciling items on the student activities and athletic bank reconciliations be reviewed and cleared.

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

Not Applicable

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

Not Applicable

**OLD TAPPAN BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022**

	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 Verifi- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Full Day Preschool 3YR	1		1														
Full Day Preschool 4YR	5		5				1		1								
Half Day Kindergarten																	
Full Day Kindergarten	49		49				5		5								
One	76		76				7		7								
Two	57		57				5		5								
Three	75		75				7		7								
Four	75		75				7		7								
Five	88		88				8		8								
Six	74		74				7		7								
Seven	69		69				6		6								
Eight	91		91			-	-		8		-	-					
Subtotal	660	-	660	-	-	-	61	-	61	-	-	-	-	-	-	-	-
Special Ed - Elementary	46		46		-	-					-	-	3	1	1		-
Special Ed - Middle School	25		25		-	-					-	-	3	1	1		-
Subtotal	71	-	71	-	-	-	-	-	-	-	-	-	6	2	2		-
Totals	731	-	731	-	-	-	61	-	61	-	-	-	6	2	2		-
Percentage Error					0.00%	0.00%					0.00%	0.00%					0.00%

**OLD TAPPAN BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022**

	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 Kindergarten												
Full Day Kindergarten												
One												
Two												
Three												
Four												
Five												
Six												
Seven												
Eight												
Subtotal												
Special Ed - Elementary												
Special Ed - Middle												
Subtotal												
Totals												
Percentage Error			N/A			N/A			N/A			N/A

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	42	42	-	12	12	-
Transported - Non-Public	12	12	-	4	4	-
Reg -Sp. Educ.	1	1	-	1	1	-
Special Ed Spec	8	8	-	2	2	-
Totals	63	63	-	19	19	-
Percentage Error			0.00%			0.00%

**OLD TAPPAN BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022**

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Kindegarten						
Full Day Kindergarten	6	7	(1)	1	1	
One	6	6		1	1	
Two	1	1		1	1	
Three	2	2		1	1	
Four	2	2		1	1	
Five	2	2		1	1	
Six	3	3		1	1	
Seven	3	3		1	1	
Eight	1	1	-			-
Subtotal	<u>26</u>	<u>27</u>	<u>(1)</u>	<u>8</u>	<u>8</u>	<u>-</u>
Special Ed - Elementary			-			-
Special Ed - Middle			-			-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>26</u>	<u>27</u>	<u>(1)</u>	<u>8</u>	<u>8</u>	<u>-</u>
Percentage Error			<u>-3.85%</u>			<u>0.00%</u>

**OLD TAPPAN BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
JUNE 30, 2023**

2022-2023 Total General Fund Expenditures (Budgetary Basis)	\$ 19,957,081	
Decreased by:		
On-Behalf TPAF Pension & Social Security	3,641,592	
	<u>3,641,592</u>	
Adjusted 2022-2023 General Fund Expenditures	\$ 16,315,489	
2% of Adjusted 2022-2023 General Fund Expenditures	\$ 326,310	
	<u>326,310</u>	
Greater of 2% of Adjusted Expenditures, or \$250,000	\$ 326,310	
Increased by:		
Allowable Adjustments		
Extraordinary Aid - Unbudgeted	317,272	
Nonpublic Transportation Reimbursement	6,838	
	<u>324,110</u>	
Maximum Unreserved/Undesignated Fund Balance		\$ 650,420
Total General Fund - Budgetary Fund Balances, June 30, 2023	\$ 27,932,662	
Decreased by:		
Capital Reserve	\$ 21,526,018	
Capital Reserve-Designated for Subsequent Year's Budget	700,000	
Maintenance Reserve	715,950	
Emergency Reserve	250,000	
Excess Surplus-Designated for Subsequent Year's Budget	1,580,554	
Unemployment Compensation	631,083	
Year-End Encumbrances	381,621	
	<u>25,785,226</u>	
Total Unassigned Fund Balance		\$ <u>2,147,436</u>
Restricted Fund Balance - Excess Surplus		\$ <u>1,497,016</u>
<u>Recapitulation of Excess Surplus as of June 30, 2023</u>		
Excess Surplus - Designated for Subsequent Year's Budget		\$ 1,580,554
Excess Surplus		<u>1,497,016</u>
Total Excess Surplus		\$ <u>3,077,570</u>

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

RECOMMENDATIONS

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

There are none.

III. School Purchasing Program

There are none.

IV. School Food Service

There are none.

V. Student Body Activities

There are none.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

IX. Miscellaneous

There are none.

X. Status of Prior Year Audit Findings/Recommendations

Corrective action was taken on the prior year recommendation.

ACKNOWLEDGEMENT

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