

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

**RIVER EDGE BOARD OF EDUCATION  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and  
Members of the Board of Trustees  
River Edge Board of Education  
River Edge, 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 River Edge Board of Education as of and for the fiscal year ended June 30, 2023 and have issued our report thereon dated January 23, 2024.

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 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.

*PKF O'Connor Davies, LLP*

Woodcliff Lake, New Jersey  
January 23, 2024

A handwritten signature in blue ink that reads "Gary W. Higgins".

Gary W. Higgins, CPA  
Public School Accountant  
PSA Number CS00814

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

**GENERAL COMMENTS**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/Business Administrator and Treasurer of the School Monies, 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 contained in the District's ACFR.

**Official Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Louise Anne Napolitano	Board Secretary/Business Administrator	\$200,000
Antoinette Kelly	Treasurer of School Monies	\$250,000

There is Employee Theft Coverage for all other employees in the amount of \$500,000 per loss.

**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) to be submitted for the year of the audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness. The data submitted did include all health benefit plans offered by the school district. The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under review did not reveal any 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 were certified by the President of the Board and the Board Secretary/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.

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

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

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

The required certification (E-CERTI) of compliance with requirements of income on compensation of District administration was filed with the New Jersey Department of Treasury by the due date.

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

**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. No errors were noted.

**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 N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, no additional procedures were deemed necessary to test the propriety of expenditure classification.

**Board Secretary's Records**

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

Bids received were summarized in the minutes (N.J.S.A.18A:18A-21).

Approved budgetary line accounts were not overexpended.

Acknowledgment of the Board's receipt of the Board Secretary's monthly financial reports was included in the minutes.

The prescribed contractual order system was followed.

The capital asset records were updated for the additions and disposals of capital assets made during the year.

**Treasurer's Records**

The Treasurer did perform cash reconciliations for the general operating account, payroll account and payroll agency account (N.J.S.A. 18A:17-36). Cash receipts were promptly deposited.

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

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

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

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I, II Part A, III and IV of the Elementary and Secondary Education Act as amended.

Other Special Federal and/or State Projects

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

Our audit of the Federal and State funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

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

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.

T.P.A.F. Reimbursements

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

T.P.A.F. Reimbursement to State for Federal Salary Expenditures

None.

Non-Public State Aid

Project completion reports were finalized and submitted to the State by the due date.

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-3(A) are \$44,000 (with a qualified purchasing agent) and \$32,000 (without a qualified purchasing agent), respectively. The District's Business Administrator is qualified and the District, by Board resolution has increased the bid threshold to \$44,000. The law regulating bidding for public school 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.

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

**School Purchasing Programs (Continued)**

Contracts and Agreements Requiring Advertisement for Bids (Continued)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or goods or service, 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 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.

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.

**School Food Service**

The District runs a program to provide milk to students in lieu of a traditional school food service program. No exceptions were noted regarding this program.

**Summer Enrichment Program**

The District maintains a separate bank account for the program. Cash receipts were recorded on electronic worksheets.

All receipts were promptly deposited.

Cash disbursements had proper supporting documentation.

**Student Body Activities**

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

All receipts were promptly deposited.

Cash disbursements 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 (A.S.S.A.) for on-roll, private schools 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 exceptions. The information that was included on the workpapers was verified without exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

**Pupil Transportation**

Because Transportation Aid was not tested as a major program in the 2023 fiscal year, our audit procedures did not include a test of on roll status reported in the 2022-2023 District Report of Transported Resident Students (DRTRS). We did agree the information presented on the DRTRS by the County/NJ DOE and compared the information presented by the district without exception.

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**

There was no SDA grant activity in the 2022/23 school year. Our procedures included a review of transactions relating to the Capital Reserve Account.

The District maintained records for their governmental and business type activities capital assets.

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

The 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 submitted the annual statement of assurance to the Department of Education pursuant to N.J.A.C.6A: 26-12.(4(g)).



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

**SCHEDULE OF MEAL COUNT ACTIVITY  
FOOD SERVICE FUND**

**NOT APPLICABLE FOR FISCAL YEAR 2023**

**SCHEDULE OF NET CASH RESOURCES  
FOOD SERVICE FUND**

**NOT APPLICABLE FOR FISCAL YEAR 2023**

RIVER EDGE BOARD OF EDUCATION

SCHEDULE OF AUDITED ENROLLMENTS

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 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 Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool 3 year	6		6					6		6						
Half Day Preschool 4 year	8		8					8		8						
Full Day Kindergarten	120		120					64		64						
One	162		162					101		101						
Two	151		151					97		97						
Three	158		158					73		73						
Four	152		152					59		59						
Five	144		144					67		67						
Six	153		153					66		66						
Seven	-		-					-		-						
Eight	-		-					-		-						
Nine	-		-					-		-						
Ten	-		-					-		-						
Eleven	-		-					-		-						
Twelve	-		-					-		-						
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	<u>1,054</u>	<u>-</u>	<u>1,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>541</u>	<u>-</u>	<u>541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - Elementary	110		110					36		36			-	-	-	
Special Ed - Middle School	16		16					10		10			1	1	1	
Special Ed - High School	-		-					-		-			-	-	-	
Subtotal	<u>126</u>	<u>-</u>	<u>126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46</u>	<u>-</u>	<u>46</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	<u>1,180</u>	<u>-</u>	<u>1,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>587</u>	<u>-</u>	<u>587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Percentage Error					<u>0.00%</u>	<u>0.00%</u>							<u>0.00%</u>	<u>0.00%</u>		<u>0.00%</u>



**SCHEDULE OF AUDITED ENROLLMENTS**

**RIVER EDGE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)  
ENROLLMENT AS OF OCTOBER 15, 2022**

	<b>Resident LEP NOT Low Income</b>			<b>Sample for Verification</b>		
	Reported on ASSA as Not Low Income	Reported on Workpapers as Not Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors
	Full Day Preschool	-	-		-	-
Full Day Kindergarten	19	19		15	15	
One	21	21		17	17	
Two	12	12		9	9	
Three	6	6		5	5	
Four	3	3		3	3	
Five	2	2		2	2	
Six	2	2		2	2	
Seven	-	-		-	-	
Eight	-	-		-	-	
Nine	-	-		-	-	
Ten	-	-		-	-	
Eleven	-	-		-	-	
Twelve	-	-		-	-	
Subtotal	<u>65</u>	<u>65</u>	<u>-</u>	<u>53</u>	<u>53</u>	<u>-</u>
Sp Ed - Elementary	3	3		2	2	
Sp Ed - Middle School	-	-		-	-	
Sp Ed - High School	-	-		-	-	
Subtotal	<u>3</u>	<u>3</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Total	<u>68</u>	<u>68</u>	<u>-</u>	<u>55</u>	<u>55</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**RIVER EDGE BOARD OF EDUCATION**

**EXCESS SURPLUS CALCULATION**

**JUNE 30, 2023**

**SECTION 1 - Regular District**

**B. 2% Calculation of Excess Surplus**

2022-23 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 25,185,495 (B)
Increased by Applicable Operating Transfers:	
Transfer to Other Enterprise Funds	\$ - (B1a)
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 PreK-Regular	\$ - (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ - (B1d)
Decreased by:	
On-Behalf TPAF Pension, Post-Retirement Contributions, Long-Term Disability Insurance and Social Security	\$ 4,798,065 (B2a)
Assets Acquired Under Capital Leases	\$ - (B2b)
Adjusted 2022-23 General Fund Expenditures [(B) + (B1s) - (B2s)]	\$ 20,387,430 (B3)
2% of Adjusted 2022-23 General Fund Expenditures [(B3) times .02]	\$ 407,749 (B4)
Enter Greater of (B4) or \$250,000	\$ 407,749 (B5)
Increased by: Allowable Adjustment*	\$ 370,094 (K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(B5) + (K)]	\$ 777,843 (M)

**SECTION 2**

Total General Fund - Fund Balances at 6-30-2023 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 6,989,657 (C)
Decreased by:	
Year-end Encumbrances	\$ 195,871 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ 386,758 (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 500,000 (C3)
Other Restricted Fund Balances****	\$ 4,629,185 (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ - (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ 1,277,843 (U1)

**RIVER EDGE BOARD OF EDUCATION**

**EXCESS SURPLUS CALCULATION**

**JUNE 30, 2023**

**SECTION 3**

Restricted Fund Balance - Excess Surplus ***	
[(U1)-(M)] IF NEGATIVE ENTER -0-	\$ <u>500,000</u> (E)

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

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>500,000</u> (C3)
Reserved Excess Surplus *** [(E)]	\$ <u>500,000</u> (E)
 Total Excess Surplus [(C3)+(E)]	 \$ <u>1,000,000</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) Maintenance of Equity Aid and State Military Impact Aid Received  
July 2023

**Detail of Allowable Adjustments**

Impact Aid	\$ _____ - (H)
Sales & Lease-back	\$ _____ - (I)
Extraordinary Aid	\$ <u>361,046</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>9,048</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ - (J3)
Family Crisis Transportation Aid	\$ _____ - (J4)
Maintenance of Equity Aid and State Military Impact Aid Received July 2023	\$ _____ - (J5)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	 \$ <u>370,094</u> (K)

\*\* This amount represents the June 30, 2023 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amount must agree to the June 30, 2023 ACFR and must agree to Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Restricted 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 any other 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.

RIVER EDGE BOARD OF EDUCATION

EXCESS SURPLUS CALCULATION

JUNE 30, 2023

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 4,117,298
Maintenance reserve	\$ 331,428
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	\$ -
Impact Aid Capital Fund Reserve	\$ -
Other state/government mandated reserves	\$ -
Reserve for unemployment	\$ 180,459
Other Restricted Fund Balance not noted above	\$ -
Total Other Restricted Fund Balance	\$ 4,629,185 (C4)

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

**RECOMMENDATIONS**

**I. Administrative 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 Services**

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.

**Status of Prior Years' Audit Findings/Recommendations**

There were no 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.

Respectfully submitted,

*PKF O'Connor Davies, LLP*

PKF O'CONNOR DAVIES, LLP

*Gary W. Higgins*

Gary W. Higgins,  
Public School Accountant  
Certified Public Accountant