

**ROSELLE PUBLIC SCHOOLS
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2023**

**ROSELLE PUBLIC SCHOOLS
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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AUDITOR'S MANAGEMENT REPORT

Honorable President and
Members of the Board of Education
Roselle Public Schools
Roselle, 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 Roselle Public Schools as of and for the fiscal year ended June 30, 2023 and have issued our report thereon dated February 14, 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 Roselle Public School's management, the Board of Trustees, 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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
February 14, 2024

**ROSELLE PUBLIC SCHOOLS
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 Business Administrator/Board Secretary and Treasurer of 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 Schedule of Insurance contained in the Statistical Section of the District's Annual Comprehensive Financial Report (the "ACFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Anthony Juskiewicz	Business Administrator/ Board Secretary	\$310,000
Brian P. McCarthy	Treasurer of School Monies	\$310,000

There is a Public Employees' Faithful Performance Blanket Bond with the Selective Insurance Company covering all other employees with multiple coverage of \$100,000.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment, as applicable, to the billings to sending districts in accordance with N.J.A.C. 6A:23A-17.1(f)3.

P.L 2020, c. 44

Our audit procedures included an inquiry and subsequent review of health benefits data required per N.J.S.A. 18A:16-3.3 (Chapter 44) submitted for the year of audit. The Chapter 44 summary report was reviewed for reasonableness.

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.

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 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.

**ROSELLE PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Planning, Accounting and Reporting (Continued)

Payroll/Personnel

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.

Payrolls were approved by the Superintendent and were certified by the President of the Board, the Treasurer and the Chief School Administrator.

Salary withholdings were properly remitted to the proper agencies including health benefits withholding due to the general fund.

The District filed the required certification (E-CERT1) of compliance with requirements for income tax compensation of certain administrators with the NJ Department of Treasury.

Finding 2023-1 – Our audit indicated that the District did not update a report of the value of unused sick and vacation time accumulated by employees.

Recommendation - A report of the value of accumulated sick and vacation time be prepared, maintained and made available for audit.

Employee Position Control Roster

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

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 to determine 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 received for propriety and to determine that goods were received and services were rendered, as of June 30.

Travel

The Board of Trustees has adopted a travel policy that complies with N.J.S.A. 18A:11-12.

Finding 2023-2 (ACFR Finding 2023-04) – Our audit indicated that expenditures for employee travel were charged to object code 500 (other purchased service) rather than to object code 580 (travel).

Recommendation – Payments made for employee travel be charged to the appropriate budgetary line item account in accordance with the Uniform Minimum Chart of Accounts for New Jersey School Districts.

Board Secretary's Records

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

The prescribed contractual order system was followed.

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

Acknowledgement of the Board's receipt of the Board Secretary and Treasurer's monthly financial reports was included in the minutes. The monthly certification of the availability of line item appropriations and fund balances were also approved.

The Board Secretary's and Treasurer's monthly reports were presented to the Board on a timely basis and were submitted to the Executive County Superintendent as prescribed by N.J.S.A. 18A:17-9 and 18A:17-36.

**ROSELLE PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records (Continued)

Finding 2023-3 (ACFR Finding 2023-05) – Our audit indicated that County approval was not sought for budget appropriation transfers which exceeded the 10% statutory maximum.

Recommendation – County approval be sought for budget appropriation transfers which exceed the statutory maximum.

Finding 2023-4 – Our audit of the Special Revenue Fund budget report indicated the following:

- The original budget, as reflected in the budgetary reporting system did not reflect the District's approved Special Revenue Fund budget.
- Grant budget appropriations were not in agreement with actual grant amounts awarded to the District.

Recommendation – The Special Revenue Fund original budget, as reflected in the budgetary reporting system, be in agreement with District's approved budget. Furthermore, grant appropriations be in agreement with actual grant amounts available for expenditure.

Finding 2023-5 – Our audit revealed that the District's required annual contribution to the Public Employees Retirement System was not deducted from the District's bank account.

Recommendation – The District's required annual contribution to the Public Employees Retirement System be reviewed to determine if the actual payment cleared.

Treasurer's Records

The Treasurer did perform cash reconciliations.

All cash receipts were promptly deposited.

Finding 2023-6 – Our audit of the payroll agency account indicated that the bank account was not properly reconciled with District records. The following was noted with respect to the payroll agency account:

- Numerous aging outstanding reconciling items which appear to be invalid are reflected on the account reconciliation and should be cleared of record.
- An excess balance of approximately \$184,000 was unable to be identified.

Recommendation – It is recommended that reconciling items on the payroll agency bank account reconciliation, along with the excess balance remaining in the account, be reviewed and cleared of record.

**ROSELLE PUBLIC SCHOOLS
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 the 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 Title I, II, III, and IV of the Elementary and Secondary Education Act, as amended.

The audit 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.

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 within the Special Revenue section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

Finding 2023-7 (ACFR Finding 2023-02) – Our audit indicated that expenditures, and related unexpended carryover amounts, as reflected on the final grant expenditure reports submitted to the State were in always in agreement with the District's budgetary reporting system.

Recommendation - Grant budget and expenditure reports submitted to the State be reconciled with the District's budgetary reporting system. Efforts be made to restore the IDEA unexpended carryover amount.

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.

TPAF 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.

Nonpublic State Aid

Project Completion Reports were finalized and transmitted 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-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 has designated the Business Administrator/Board Secretary as the qualified purchasing agent.

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.

**ROSELLE PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

School Purchasing Programs (Continued)

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, however, that purchases were made through the use of State contracts.

Finding 2023-8 (ACFR Findings 2023-01 and 2023-03) – Our audit of purchases and contract awards in excess of the bid threshold revealed the following as it relates to compliance with the Public School Contracts Law and State procurement guidelines:

- Our audit indicated that documentation to support the award of contracts through public advertisement for bids was not able to be provided for audit.
- Notification to the state comptroller's office was not made for a contract award exceeding the statutory minimum of \$2,500,000 for such requirement.
- Our audit indicated that payments were made to vendors for substitute personnel services in the amount of \$822,722 and for certified teaching services in the amount of \$341,705. The District awarded these contracts as professional services rather than through competitive contracting and/or public advertisement for bids.
- Our audit indicated several vendors were paid based on the utilization of state contracts and other cooperative purchasing agreements. The applicable state contract and cooperative purchasing agreements were not able to be provided in order to determine the validity of the contracts, the propriety of the services performed and the accuracy of the amounts billed to the District.

Recommendation – It is recommended that:

- Documentation with respect to contracts awarded through public advertisement for bids be maintained on file and made available for audit.
- Notification to the State Comptroller's Office be made for contract awards exceeding \$2,500,000.
- Contract for substitute personnel services be procured by public bid or competitive contracting.
- Documentation be maintained on file and made available for audit to support the District's awards pursuant to state contract and cooperative purchasing agreements.

**ROSELLE PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 SFA's 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.

SFA's 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 not selected as a major federal and/or state program. However, the program expenditures exceeded \$100,000 in federal 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.

We 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; modification of existing contracts 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 Plan 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.

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

Finding 2023-9 - Our audit indicated that expenses related to the Child and Adult Care Food Program, or Dinner Program, were not reflected on the operating statement provided by the Food Service Management Company. As a result, the contractual guarantee of return was not met.

Recommendation – The financial results reported to the District by the Food Service Management Company be reviewed to ensure that all applicable expenses are reported and that the contractual guarantee of return is satisfied.

Scholarship Program

The financial records of the Scholarship Program were maintained in good condition.

Student Body Activities

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

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 disabled, 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 District workpapers and information on the workpapers was verified. 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.

**ROSELLE PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Pupil Transportation

Our audit 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 with immaterial exceptions. The information on the DRTRS was verified with immaterial exceptions. 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

Our procedures included a review of the SDA grant agreement for consistence with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

Finding 2023-10 – Our audit of the District’s Capital Projects Fund indicated the following:

- Appropriations for numerous capital projects were approved in 2010, 2012 and 2016 for a total of \$11,073,182. As of June 30, 2023, balances totaling \$5,126,579 remain unexpended.
- School Development Authority (SDA) grants were awarded to the District for the aforementioned projects in the total amount of \$6,666,036. As of June 30, 2023, \$3,136,985 is due from the State based on completion to date.

Recommendation – A review of the District’s SDA capital projects funding be undertaken to determine if the projects have been completed. Furthermore, efforts to be made to collect outstanding SDA grant receivables related to capital project expenditures.

Finding 2023-11 – Our audit indicated that the report of the valuation and depreciation of District owned capital assets was not updated for the year of audit.

Recommendation – The District’s capital asset appraisal report, along with related depreciation, be updated on annual basis.

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).

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations, including findings.

**ROSELLE PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Suggestion to Management

- Efforts be made to ensure year end cut off procedures pertaining to cash disbursements are adhered to.
- Transactions occurring in the Computer Protection Account be recorded on the District's financial system.
- The Community School Account be reviewed for necessity.

**ROSELLE PUBLIC SCHOOLS
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Not Applicable

**ROSELLE PUBLIC SCHOOLS
FOOD SERVICE FUND
NET CASH RESOURCE SCHEDULE
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Net cash resources did exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2023**

Current Assets

Cash & Cash Equiv.	\$	1,586,755
Due from Other Gov'ts		126,497
Accounts Receivable		<u>198,020</u>

Current Liabilities

Less Due to Other Funds		(1,017,967)
Unearned Revenue		<u>(4,905)</u>

Net Cash Resources	\$	<u>888,400.00</u>
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Net Adjusted Total Operating Expense:

B-5 Total Operating Exp.		2,749,464
B-5 Less Depreciation		<u>(14,972)</u>
Adjusted Total Operating Exp.	\$	<u>2,734,492.00</u>

<u>Average Monthly Operating Expense:</u>	\$	<u>273,449.20</u>
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<u>Three times monthly Average:</u>	\$	<u>820,347.60</u>
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Total Net Cash Resources	\$	888,400.00
Three Times Monthly Average	\$	<u>820,347.60</u>
Amount Above Allowable Net Cash Resources	\$	<u>68,052.40</u>

**ROSELLE BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2022
SCHEDULE OF AUDITED ENROLLMENTS**

	2023-2024 Application for State School Aid						Sample for Verification				Private Schools for Disabled					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Reported on		Sample	
	A.S.S.A.		Workpapers				Selected from		Register		Registers		A.S.S.A. as		for	
	On Roll		On Roll		Full		Workpapers		On Roll		On Roll		Private		Verifi-	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	cation	Sample	Sample
															Verified	Errors
Half Day Preschool 3 Years Old	8		8		-	-	4		4		-					
Half Day Preschool 4 Years Old	23		23		-	-	20		20		-					
Full Day Preschool 3 Years Old	4		4		-	-	3		3		-					
Full Day Preschool 4 Years Old	19		19		-	-	13		13		-					
Full Day Kindergarten	181		181		-	-	181		181		-					
Grade 1	200		204		(4)	-	80		80		-					
Grade 2	190		190		-	-	59		59		-					
Grade 3	175		174		1	-	63		63		-					
Grade 4	208		208		-	-	69		69		-					
Grade 5	173		173		-	-	173		173		-					
Grade 6	198		198		-	-	198		198		-					
Grade 7	186		186		-	-	186		186		-					
Grade 8	199		199		-	-	199		199		-					
Grade 9	201		201		-	-	201		201		-					
Grade 10	164		164		-	-	164		164		-					
Grade 11	194		194		-	-	194		194		-					
Grade 12	184		184		-	-	184		184		-					
Post- Graduate					-	-					-					
Adult High School (15+ Credits)					-	-					-					
Adult High School (1-14 Credits)					-	-					-					
Subtotal	2,507	-	2,510	-	(3)	-	1,991	-	1,991	-	-	-				
Sp Ed - Elementary	151		151		-	-	34		34		-		5	1	1	-
Sp Ed - Middle School	68		68		-	-	45		45		-		3	1	1	-
Sp Ed - High School	89		89		-	-	89		89		-		2	1	1	-
Subtotal	308	-	308	-	-	-	168	-	168	-	-	-	10	3	3	-
County Vocational - Regular					-	-					-					
County Vocational - F.T. Post-Second					-	-					-					
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-				
Totals	2,815	-	2,818	-	(3)	-	2,159	-	2,159	-	-	-	10	3	3	-
Percentage Error					-0.11%						0.00%		0.00%			0.00%

ROSELLE BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2022
SCHEDULE OF AUDITED ENROLLMENTS

	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	Sample Errors	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
	Half Day Preschool 3 Years Old			-			-			-		
Half Day Preschool 4 Years Old			-			-			-			-
Full Day Preschool 3 Years Old			-			-			-			-
Full Day Preschool 4 Years Old			-			-			-			-
Full Day Kindergarten		99.0	-	4	4	-	15	15	-	-	-	-
Grade 1	139.0	139.0	-	4	4	-	34	34	-	4	4	-
Grade 2	158.0	158.0	-	8	8	-	44	44	-	11	10	1
Grade 3	141.0	141.0	-	6	6	-	48	48	-	15	15	-
Grade 4	167.0	167.0	-	6	6	-	35	35	-	7	7	-
Grade 5	124.0	124.0	-	-	-	-	20	20	-	-	-	-
Grade 6	136.0	136.0	-	6	6	-	21	21	-	2	2	-
Grade 7	125.0	125.0	-	10	10	-	8	8	-	-	-	-
Grade 8	128.0	128.0	-	5	4	1	13	13	-	-	-	-
Grade 9	138.0	138.0	-	6	6	-	18	18	-	4	3	1
Grade 10	125.5	125.5	-	6	6	-	15	15	-	5	5	-
Grade 11	125.5	125.5	-	5	5	-	16	16	-	2	2	-
Grade 12	119.0	119.0	-	5	5	-	21	21	-	6	5	1
Post- Graduate			-			-			-			-
Adult High School (15+ Credits)			-			-			-			-
Adult High School (1-14 Credits)			-			-			-			-
Subtotal	1,725.0	1,725.0	-	71	70	1	308	308	-	56	53	3
Sp Ed - Elementary	107	107	-	-	-	-	2	2	-	-	-	-
Sp Ed - Middle School	52	52	-	-	-	-	5	5	-	-	-	-
Sp Ed - High School	69	69	-	-	-	-	1	1	-	-	-	-
Subtotal	228	228	-	-	-	-	8	8	-	-	-	-
County Vocational - Regular			-			-			-			-
County Vocational - F.T. Post-Second			-			-			-			-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	1,953.0	1,953.0	-	71.0	70.0	1.0	316	316	-	56	53	3
Percentage Error			<u>0.00%</u>			<u>1.41%</u>			<u>0.00%</u>			<u>5.36%</u>

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	Transportation					
	Reported on DRTRS by DOE / County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	188	188	-	37	37	-
Transported - Non Public			-	-	-	-
Regular - Special Ed	51	51	-	10	10	-
Special Needs	57	57	-	11	11	-
	<u>296</u>	<u>296</u>	<u>-</u>	<u>58</u>	<u>58</u>	<u>-</u>

Percentage Error 0.0% 0.0%

ROSELLE BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID
 ENROLLMENT AS OF OCTOBER 15, 2022
 SCHEDULE OF AUDITED ENROLLMENTS

14

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application	Errors
Half Day Preschool 3 Years Old			-			-
Full Day Preschool 3 Years Old			-			-
Half Day Preschool 4 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Full Day Kindergarten	21	21	-	6	6	-
Grade 1	13	13	-	4	4	-
Grade 2	6	6	-	2	2	-
Grade 3	1	1	-	-	-	-
Grade 4	5	5	-	1	1	-
Grade 5	2	2	-	1	1	-
Grade 6	4	4	-	1	1	-
Grade 7	4	4	-	1	1	-
Grade 8	6	6	-	2	2	-
Grade 9	5	5	-	1	1	-
Grade 10	5	5	-	1	1	-
Grade 11	8	8	-	2	2	-
Grade 12	4	4	-	1	1	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
Subtotal	84	84	-	23	23	0
Sp Ed - Elementary	2	2	-	1	1	-
Sp Ed - Middle School	1	1	-	1	1	-
Sp Ed - High School	1	1	-	1	1	-
Subtotal	4	4	-	3	3	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal						
Totals	88	88	-	26	26	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**ROSELLE PUBLIC SCHOOLS
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2022-2023 Total General Fund Expenditures per the ACFR		\$ 75,080,422
Decreased by:		
On-Behalf TPAF Pension & Social Security		<u>(12,202,257)</u>
 Adjusted 2022-2023 General Fund Expenditures		 <u>\$ 62,878,165</u>
 2% of Adjusted 2022-2023 General Fund Expenditures		 \$ 1,257,563
Increased by:		
Allowable Adjustment		<u>158,868</u>
 Maximum Unassigned Fund Balance		 <u>\$ 1,416,431</u>
 Total General Fund - Fund Balance at June 30, 2023		 \$ 11,457,268
Decreased by:		
Reserved for Encumbrances	\$ 814,680	
Other Restricted Fund Balance - Capital Reserve	4,200,986	
Other Restricted Fund Balance - Maintenance Reserve	600,200	
Other Restricted Fund Balance - Emergency Reserve	100,000	
Other Restricted Fund Balances - Capital Financing Agreements	89,599	
Excess Surplus - Designated for Subsequent Year's Expenditures	1,417,100	
Assigned - Designated for Subsequent Year's Expenditures	<u>682,900</u>	
		<u>7,905,465</u>
 Total Unassigned Fund Balance		 <u>\$ 3,551,803</u>
 Fund Balance - Excess Surplus		 <u><u>2,135,372</u></u>
 <u>Recapitulation of Excess Surplus as of June 30, 2023</u>		
Excess Surplus- Designated in Subsequent Year's Budget		\$ 1,417,100
Excess Surplus		<u>2,135,372</u>
		<u><u>\$ 3,552,472</u></u>

**ROSELLE PUBLIC SCHOOLS
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. A report of the value of accumulated sick and vacation time be prepared, maintained and made available for audit.
2. Payments made for employee travel be charged to the appropriate budgetary line item account in accordance with the Uniform Minimum Chart of Accounts for New Jersey School Districts.
3. County approval be sought for budget appropriation transfers which exceed the statutory maximum.
- * 4. The Special Revenue Fund original budget, as reflected in the budgetary reporting system, be in agreement with District's approved budget. Furthermore, grant appropriations be in agreement with actual grant amounts available for expenditure.
5. The District's required annual contribution to the Public Employees Retirement System be reviewed to determine if the actual payment cleared.
- * 6. Reconciling items on the payroll agency bank account reconciliation, along with the excess balance remaining in the account, be reviewed and cleared of record.
7. Grant budget and expenditure reports submitted to the State be reconciled with the District's budgetary reporting system. Efforts be made to restore the IDEA unexpended carryover amount.

III. School Purchasing Program

- * 8. With respect to District contract awards, it is recommended that:
 - Documentation with respect to contracts awarded through public advertisement for bids be maintained on file and made available for audit.
 - Notification to the State Comptroller's Office be made for contract awards exceeding \$2,500,000.
 - Contract for substitute personnel services be procured by public bid or competitive contracting.
 - Documentation be maintained on file and made available for audit to support the District's awards pursuant to state contract and cooperative purchasing agreements.

IV. School Food Services

9. It is recommended that the financial results reported to the District by the Food Service Management Company be reviewed to ensure that all applicable expenses are reported and that the contractual guarantee of return is satisfied.

V. Scholarships

There are none.

**ROSELLE PUBLIC SCHOOLS
RECOMMENDATIONS**

VI. Student Body Activities

There are none.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

It is recommended that:

- * 10. A review of the District's SDA capital projects funding be undertaken to determine if the projects have been completed. Furthermore, efforts to be made to collect outstanding SDA grant receivables related to capital project expenditures.
- 11. The District's capital asset appraisal report, along with related depreciation, be updated on annual basis.

X. Miscellaneous

There are none.

XI. Status of Prior Years' Audit Findings/Recommendations

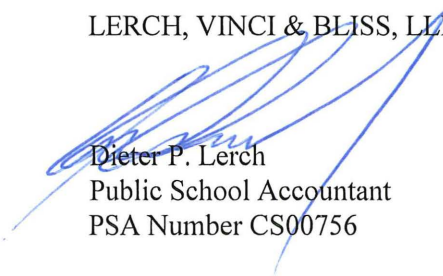
A review was performed on all prior years' recommendations and corrective action was taken on all, other than those denoted with an asterisk (*) above.

ACKNOWLEDGEMENT

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

Respectfully submitted,

LERCH, VINCI & BLISS, LLP



Dieter P. Lerch
Public School Accountant
PSA Number CS00756