

**GARFIELD BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2024**

**GARFIELD 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 Trustees
Garfield Board of Education
Garfield, 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 Garfield Board of Education, State of New Jersey as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated December 12, 2024.

As part of our audit, we performed procedures required by the 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 for the information and use of 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.

Lerch, Vinci & Bliss, LLP

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

Andrew D. Parente

Andrew D. Parente
Public School Accountant
PSA Number CS00224600

Fair Lawn, New Jersey
December 12, 2024

**GARFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 Exhibit J-20, Schedule of Insurance contained in the district's Annual Comprehensive Financial Report ("ACFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Kathlene Derych	Business Administrator/ Board Secretary	\$500,000
Matthew Paladino	Treasurer of School Monies	500,000

There is public employee dishonesty with faithful performance coverage for all other employees with coverage of \$500,000.

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 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.

The original data submission did not require significant revision due to errors or omissions on the part of the district.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any material discrepancies with respect to 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 Superintendent of Schools.

Salary withholdings were promptly remitted to the District's payroll service provider for submission to the proper agencies. In addition, the District remitted the health benefit withholdings due to the General Fund in a timely manner.

The District maintains a personnel tracking and accounting (Position Control) system.

The required certification (E-Cert1) of compliance with requirements of income tax on compensation of District Administration was filed with the NJ Department of Treasury by the due date.

**GARFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Financial Planning, Accounting and Reporting (Continued)

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, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Classification of Expenditures

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

Travel

The District had an approved board travel policy as required by N.J.A.C. 6A:23A-6-13 and N.J.S.A. 18A:11-12.

Board Secretary's Records

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

The prescribed contractual order system was followed.

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

Finding 2024-1 (ACFR 2024-001) – We noted the financial transactions of a \$600,000 capital lease bank account with Spencer Savings Bank for the athletic field lighting project were not being recorded in the Districts accounting records. In addition, the payment made by the bank (fiscal agent) to a vendor from this account was not included on the bills list and approved by the Board in the official minutes.

Recommendation – The District record all transactions of the capital lease bank accounts in their financial accounting records. In addition, payments to vendors be included on the bills list and presented to the Board for approval.

Treasurer's Records

The Treasurer's bank reconciliations were in agreement with the records of the Board Secretary.

The Treasurer's cash balances were in agreement with the reconciled cash balance as determined during the audit.

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

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 projects under Title I, II, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

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.

**GARFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Financial Planning, Accounting and Reporting (Continued)

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 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 2024-2 (ACFR Finding 2024-002) – Our audit of Preschool Education Aid (PEA) Funding revealed the following:

- The 2023/24 PEA budget was not amended to reflect the actual carryover available at June 30, 2023 and the General Fund contribution in the adopted budget.
- General Fund transfers were not approved to support the required additional General Fund contributions.
- Several budget line accounts were overexpended.

Recommendation - Preschool Education Aid budget be amended annually based on actual carryover amounts available and actual General Fund contributions appropriated in the adopted budget.

I.D.E.A.

Separate accounting records were maintained for each approved project. Grant applications 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 the State for Federal Salary Expenditures

The amount of expenditure charged to the current year's Final Report 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 not 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.

Finding 2024-3 – Our audit revealed that the reimbursement due to the State of New Jersey for pension and social security for federally funded programs was not remitted within the 90 day liquidation period.

Recommendation – The reimbursement due to the State for TPAF pension and FICA for federally funded programs be remitted in a timely manner.

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 regulates bidding for public school student transportation contracts under NJSA 18A:39-3 which is currently \$20,400. The Board has designated the School Business Administrator as the qualified purchasing agent and has approved a bid threshold of \$44,000.

**GARFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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 obtained before a commitment is made.

The results of our examination did not indicate that individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been 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 that purchases were made through the use of state contracts.

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 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 age 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 free and reduced price meal eligible students during the emergency.

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, 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met.

Finding 2024-4 – Sales reported per the Food Service Management Company (FSMC) operating statement were not in agreement with the District's sales records.

Recommendation – The Food Service Management Company's (FSMC) operating statement revenues be reconciled on a monthly basis with the District's accounting records.

Expenditures are separately recorded as food, labor and other costs. Inventory records on food and 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 appropriate revenue and expense records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did not exceed three months average expenditures.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

**GARFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

School Food Service (Continued)

U.S.D.A. Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Non-program foods were purchased, prepared, sold, or offered for sale. The Statement of Revenues, Expenses, and Changes in Fund Net Assets (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, Exhibits B4 to B6 of the ACFR.

Student Body Activities

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

Cash receipts were promptly deposited for student activity accounts.

Cash disbursements had proper supporting documentation.

Application for State School Aid

Our audit procedures included a test of information reported in the October 13, 2023 Application for State School Aid (ASSA) for on-roll, private schools for the disabled, related services, 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 with immaterial exceptions. The information that was included on the workpapers was verified with no exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District did maintain workpapers on the prescribed state forms or their equivalent for all reporting categories.

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 2023-2024 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with no 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.

**GARFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Facilities and Capital Assets

Since the District is classified as an At Risk School District, a portion of the SDA grant activity is conducted by the State on behalf of the Board. This on-behalf grant activity is reported in the District's financial statements as State aid revenue and capital outlay expenditures in the Capital Projects Fund.

With respect to direct SDA grants to the District, our procedures included a review of the SDA grant agreements for consistence with recording SDA revenue, transfer of local funds from the General Fund and awarding of contracts for eligible facilities construction.

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

Follow-up Prior Year Findings

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

Suggestions to Management

- The District maintain a monthly payroll deduction ledger.
- Student lunches receivable balance be reviewed for collectability.

**GARFIELD BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Program</u>	<u>Meals/Milks Category</u>	<u>Total Meals/Milks Claimed</u>	<u>Meals/Milks Tested</u>	<u>Meals/Milks *Verified</u>	<u>Difference</u>
National School Lunch (Regular Rate)	Paid	205,469	205,469	205,469	
	Reduced	40,350	40,350	40,350	
	Free	<u>330,879</u>	<u>330,879</u>	<u>330,879</u>	<u>-</u>
		<u>576,698</u>	<u>576,698</u>	<u>576,698</u>	<u>-</u>
Breakfast	Paid	170,741	170,741	170,741	
	Reduced	26,478	26,478	26,478	
	Free	<u>265,956</u>	<u>265,956</u>	<u>265,956</u>	<u>-</u>
		<u>463,175</u>	<u>463,175</u>	<u>463,175</u>	<u>-</u>
After School Snacks	Paid	16,739	16,739	16,739	-
	Reduced	9,076	9,076	9,076	
	Free	<u>77,194</u>	<u>77,194</u>	<u>77,194</u>	
		<u>103,009</u>	<u>103,009</u>	<u>103,009</u>	<u>-</u>
TOTAL		<u>1,142,882</u>	<u>1,142,882</u>	<u>1,142,882</u>	<u>-</u>

* Verified to Edit Check worksheets

**GARFIELD BOARD OF EDUCATION
NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Net Cash Resources:

Current Assets

Cash	\$ 1,460,643
Accounts Receivable	<u>218,349</u>

Current Liabilities

Less:

Accounts Payable	(404,257)
Unearned Revenue	<u>(14,782)</u>

Net Cash Resources	<u>\$ 1,259,953</u>
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Adjusted Total Operating Expense:

Total Operating Expenses	\$ 4,398,062
Less Depreciation	<u>(157,596)</u>

Adjusted Total Operating Expense	<u>\$ 4,240,466</u>
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<u>Average Monthly Operating Expense:</u>	<u>\$ 424,047</u>
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<u>Three Times Monthly Average:</u>	<u>\$ 1,272,140</u>
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Total Net Cash Resources	\$ 1,259,953
Three Times Monthly Average	<u>1,272,140</u>

Net Cash Resources Does not Exceeds Three Month Avg. Expenses	<u>\$ (12,188)</u>
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**GARFIELD BOARD OF EDUCATION
ASSA
SCHEDULE OF AUDITED ENROLLMENTS
10/13/2023**

	2024-2025 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	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 Verifi- cation	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared			Sample Verified	Sample Errors
Full Day Preschool - 3 years	226		226		-	-	20		20		-	-				
Full Day Preschool - 4 years	279		279		-	-	76		76		-	-				
Full Day Kindergarten	310		310		-	-	48		48		-	-				
One	306		306		-	-	44		44		-	-				
Two	250		250		-	-	34		34		-	-				
Three	258		258		-	-	36		36		-	-				
Four	232		232		-	-	31		31		-	-				
Five	248		248		-	-	33		33		-	-				
Six	237		237		-	-	237		237		-	-				
Seven	236		236		-	-	236		236		-	-				
Eight	251		251		-	-	251		251		-	-				
Nine	284		284		-	-	284		284		-	-				
Ten	258	11	258	11	-	-	258		258		-	-				
Eleven	229	12	229	12	-	-	229		229		-	-				
Twelve	250	1	250	1	-	-	250		250		-	-				
Adult High School(15+ Credits)					-	-					-	-				
Subtotal	3,854	24	3,854	24	-	-	2,067	-	2,067	-	-	-	-	-	-	-
Spec Ed - Elementary	479		479		-	-	35		35		-	-	2	1	1	-
Spec Ed- Middle School	228		228		-	-	17		17		-	-	5	2	2	-
Spec Ed - High School	210	6	210	6	-	-	16		16		-	-	27	20	20	-
Subtotal	917	6	917	6	-	-	68	-	68	-	-	-	34	23	23	-
Totals	4,771	30	4,771	30	-	-	2,135	-	2,135	-	-	-	34	23	23	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

**GARFIELD BOARD OF EDUCATION
ASSA
SCHEDULE OF AUDITED ENROLLMENTS
10/13/2023**

	Resident Low Income			Sample for Verification			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 Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Pre-School (3 Yrs)			-			-			-			-
Full Day Pre-School (4 Yrs)			-			-			-			-
Full Day Kindergarten	177.0	177.0	-	5.0	5.0	-	27	27	-	3.0	3.0	-
One	190.0	190.0	-	5.0	5.0	-	29	29	-	3.0	2.0	1.0
Two	150.0	150.0	-	5.0	5.0	-	19	19	-	2.0	2.0	-
Three	156.0	156.0	-	4.0	4.0	-	19	19	-	2.0	2.0	-
Four	160.0	160.0	-	1.0	1.0	-	16	16	-	1.0	1.0	-
Five	156.0	156.0	-	4.0	4.0	-	14	14	-	1.0	1.0	-
Six	169.0	169.0	-	4.0	4.0	-	22	22	-	2.0	2.0	-
Seven	176.0	176.0	-	4.0	4.0	-	24	24	-	2.0	2.0	-
Eight	163.0	163.0	-	4.0	4.0	-	22	22	-	1.0	1.0	-
Nine	165.0	165.0	-	4.0	4.0	-	20	20	-	1.0	1.0	-
Ten	161.0	161.0	-	4.0	4.0	-	26	26	-	2.0	2.0	-
Eleven	122.0	122.0	-	4.0	4.0	-	12	12	-	1.0	1.0	-
Twelve	157.0	157.0	-	4.0	4.0	-	11	11	-	1.0	1.0	-
Subtotal	2,102.0	2,102.0	-	52.0	52.0	-	261.0	261.0	-	22.0	21.0	1.0
Spec Ed - Elementary	320.0	320.0	-	10.0	10.0	-	23.0	23.0	-	3.0	3.0	-
Spec Ed- Middle School	174.0	175.0	1.0	4.0	4.0	-	4.0	4.0	-	1.0	1.0	-
Spec Ed - High School	142.0	145.0	3.0	5.0	5.0	-	1.0	1.0	-	-	-	-
Training School			-									
Juv Detention			-									
	636.0	640.0	4.0	19.0	19.0	-	28.0	28.0	-	4.0	4.0	-
Totals	2,738.0	2,742.0	4.0	71.0	71.0	-	289.0	289.0	-	26.0	25.0	1.0

Percentage Error	0.15%	0.00%	0.00%	3.85%
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	Transportation					
	Reported on DRTRS by District	Reported on DRTRS by DOE	Errors	Tested	Verified	Errors
Regular Public Schools	327.0	327.0	-	34.0	27.0	7.0
Transported Non-Public	35.0	35.0	-	2.0	1.0	1.0
Regular Special Ed.	142.0	142.0	-	14.0	14.0	-
Special Needs or OOD	105.0	105.0	-	10.0	8.0	2.0
Totals	609.0	609.0	-	60.0	50.0	10.0
			0.00%			16.67%

**GARFIELD BOARD OF EDUCATION
ASSA
SCHEDULE OF AUDITED ENROLLMENTS
10/13/2023**

	LEP Not 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 Register	Sample Errors
Full Day Pre-School (3 Yrs)			-			-
Full Day Pre-School (4 Yrs)			-			-
Full Day Kindergarten	37.0	37.0	-	6.0	6.0	-
One	23.0	23.0	-	5.0	5.0	-
Two	18.0	18.0	-	4.0	4.0	-
Three	18.0	18.0	-	4.0	4.0	-
Four	10.0	10.0	-	3.0	3.0	-
Five	14.0	14.0	-	4.0	4.0	-
Six	7.0	7.0	-	2.0	2.0	-
Seven	12.0	12.0	-	5.0	5.0	-
Eight	9.0	9.0	-	4.0	4.0	-
Nine	12.0	12.0	-	4.0	4.0	-
Ten	12.0	12.0	-	4.0	4.0	-
Eleven	15.0	15.0	-	5.0	5.0	-
Twelve	6.0	6.0	-	2.0	2.0	-
Subtotal	193.0	193.0	-	52.0	52.0	-
Spec Ed - Elementary	8.0	8.0	-			-
Spec Ed- Middle School	1.0	1.0	-			-
Spec Ed - High School	1.0	1.0	-			-
	10.0	10.0	-	-	-	-
Totals	203.0	203.0	-	52.0	52.0	-
Percentage Error			0.00%			0.00%

**GARFIELD BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

SECTION 1B

A. 2% Calculation of Excess Surplus

2023-2024 Total General Fund Expenditures reported on Exhibit C-1	\$ 127,646,441
Increased by Applicable Operating Transfers	
Transfer to Special Revenue Fund - Preschool Education	1,631,850
Less: Expenditures allocated to restricted federal sources as reported on Exhibit D-2	<u>(532,116)</u>
2023-2024 Adjusted General Fund & Other State Expenditures	\$ 128,746,175
Decreased by:	
On-Behalf TPAF Pension & Social Security	(25,068,481)
Leases Issued	<u>(267,000)</u>
Adjusted 2023-2024 General Fund Expenditures	<u>\$ 103,410,694</u>
2% of Adjusted 2023-2024 General Fund Expenditures	<u>\$ 2,068,214</u>
Enter Greater of 2% of Adjusted 2023-2024 General Fund Expenditures or \$250,000	\$ 2,068,214
Increased by: Allowable Adjustments	
Extraordinary Aid	347,312
Nonpublic Transportation Aid	<u>66,459</u>
Maximum Unassigned Fund Balance	<u>\$ 2,481,985</u>

SECTION 2

Total General Fund - Fund Balances at June 30, 2024 (Per CAFR Budgetary Comparison schedule/statement)	\$ 7,573,715
Decreased by:	
Year End Encumbrances	\$ 124,310
Capital Reserve	1
Unemployment Compensation Reserve	632,599
Designated for Subsequent Year's Expenditures	<u>2,200,000</u>
	<u>2,956,910</u>
Total Unassigned Fund Balance	<u>\$ 4,616,805</u>

SECTION 3

Restricted Fund Balance - Excess Surplus	<u>\$ 2,134,820</u>
<u>Recapitulation of Excess Surplus as of June 30, 2024</u>	
Excess Surplus	<u>\$ 2,134,820</u>
Total Excess Surplus	<u>\$ 2,134,820</u>

**GARFIELD BOARD OF EDUCATION
ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Encumbrances per the June 30, 2024

Board Secretary Report (Funds 11, 12, 13)			\$ 124,310
<u>Description</u>	<u>Total by Category</u>	<u>Amount Properly Encumbered</u>	<u>Encumbrances Canc./Recl. Through Audit Adjustments</u>
Audit Services	\$ 55,000	\$ 55,000	-
Purchased Profesional Services	69,310	69,310	
Payroll			-
Equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total Audited	<u>124,310</u>	<u>124,310</u>	<u>-</u>
Unaudited	<u>-</u>	<u>-</u>	<u>-</u>
Total Encumbrances	<u>124,310</u>	<u>124,310</u>	<u>-</u>
Total Encumbrances Cancelled During the Audit			<u>-</u>
Fund Balance Reserved for Encumbrances in the CAFR (Funds 11,12 and 13)			<u><u>\$ 124,310</u></u>

**GARFIELD BOARD OF EDUCATION
ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Encumbrances per the June 30, 2024

Board Secretary Report (Funds 15) - No Encumbrances at year end				\$ -
<u>Description</u>	<u>Total by Category</u>	<u>Amount Properly Encumbered</u>	<u>Encumbrances Cancelled Through Audit Adjustments</u>	
Payroll		-	-	
		-	-	
		-	-	
		-	-	
		-	-	
	-	-	-	
Total Audited	-	-	-	
Unaudited	-	-	-	
Total Encumbrances	-	-	-	
Total Encumbrances Cancelled During the Audit				-
Fund Balance Reserved for Encumbrances in the CAFR (Fund 15)				\$ -

GARFIELD BOARD OF EDUCATION RECOMMENDATIONS

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. The District record all transactions of the capital lease bank accounts in their financial accounting records. In addition, payments to vendors be included on the bills list and presented to the Board for approval.
- * 2. Preschool Education Aid budget be amended annually based on actual carryover amounts available and actual General Fund contributions appropriated in the adopted budget.
3. The reimbursement due to the state for TPAF pension and FICA for federally funded programs be remitted in a timely manner.

III. School Purchasing Program

There are none.

IV. Food Service Fund

4. It is recommended that the Food Service Management Company's (FSMC) operating statement revenues be reconciled on a monthly basis with the District's accounting records.

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 Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all.

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



Andrew D. Parente
Public School Accountant
PSA Number CS00224600