KENILWORTH SCHOOL DISTRICT

AUDITORS' MANAGEMENT REPORT

FISCAL YEAR ENDED JUNE 30, 2025

Barre & Company LLC
Certified Public Accountants & Consultants

KENILWORTH SCHOOL DISTRICT

AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE

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Report of Independent Auditors

Honorable President and
Members of the Board of Education
Kenilworth School District
County of Union, New Jersey

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Kenilworth School District in the County of Union for the year ended June 30, 2025, and have issued our report thereon dated July 15, 2026.

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 the Kenilworth School District Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Barre & Company LLC

BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants

Richard M. Barre, CPA
Public School Accountant
PSA Number CS-O1181

Union, New Jersey
July 15, 2026

Administrative Findings – Financial, Compliance and Performance

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Moneys, 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, Insurance Schedule contained in the school district's ACFR.

Official Bonds (*N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)*

Name	Position	Amount
Vincent A. Gonnella	Board Secretary/School Business Administrator	$ 80,000.00
Jermey Davies	Treasurer	270,000.00

There is a Public Employee's Dishonesty coverage with the School Alliance Insurance Fund covering all other employees with multiple coverage of $500,000.

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.

If the data certification date reflects submission date later than 60 days after the end of the enrollment period: The original data submission did not require significant revision due to errors or omissions on the part of the school.

Tuition Charges

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

Financial Planning, Accounting and Reporting

Examination of Claims

Claims paid during the period under review were examined on a test basis to determine that they are submitted on Board vouchers, itemized, signed by the officials as to approval for payment, endorsement for receipt of materials, allocated to the proper accounts, charged to the proper fiscal period and in agreement with bill list set forth in the approved minutes of the Board. The review and inquiry indicate good scrutiny on the part of the Board and Board Officials regarding expenditures.

Financial Planning, Accounting and Reporting (Continued)

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and the Board's required payroll contributions were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withheld due to the general fund.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No exceptions were noted during our review.

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 the 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 errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. General Classification Findings

No exceptions or discrepancies were noted in the administrative classification of expenditures.

B. Administrative Classification Findings

No exceptions or discrepancies were noted in the administrative classification of expenditures.

Board Secretary's Records

Our review of the financial and accounting records maintained by the board secretary disclosed the following exceptions or discrepancies:

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records (Continued)

Finding #2025-002: Balance Sheet Account Reconciliations

The District does not have a formal process in place to reconcile balance sheet accounts on a regular basis. During our audit, we noted that certain balance sheet accounts were not reconciled to supporting records, subsidiary ledgers, schedules, or other underlying documentation. As a result, the District's general ledger may include unsupported balances, unidentified reconciling items, prior period carryforward amounts, or transactions requiring adjustment.

Recommendation:

The District should establish and implement written procedures requiring all significant balance sheet accounts to be reconciled on a timely basis and reviewed by appropriate supervisory personnel. Reconciliations should agree the general ledger balance to supporting documentation, identify and explain reconciling items, include any necessary adjusting entries, and contain evidence of preparation and review. The District should also maintain a reconciliation checklist to ensure that all applicable balance sheet accounts are completed and reviewed as part of the monthly, quarterly, and year-end closing process.

Treasurer's Records

The Treasurer's records were in agreement with the records of the Board Secretary. All reconciliations were properly done.

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 Titles I, II and III of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. did not indicate any areas of noncompliance and/or questionable cost.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

Our audit of the federal and state funds on a test basis, indicated the 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 99the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects did not indicate any areas of noncompliance.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements (electronic, but districts can print out the DOENET screen for an auditor) filed with the Department of Education for district employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

Financial Planning, Accounting and Reporting (Continued)

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) 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.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general is available on the NJ Local Agency Procurement Laws webpage:
http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html.

Current statute is posted on the New Jersey Legislature (http://www.njleg.state.nj.us/) website.

Auditors should refer to Section I, Chapter 5, Bids & Contracts/Purchasing for highlights of *N.J.S.A. 18A:18A-3 and 4*.

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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. Effective July 2025, the threshold went up to $53,000 and $39,000, respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A. 18A:39-3* is $22,400. Effective July 2025, the threshold went up to $24,200.

The district 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.

Based on the results of our examination, we did not note any individual payments, contracts, or agreements 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 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*.

School Food Service

The school food service program was not selected as a major federal and/or State Program. However, the program expenditures exceeded $ I00,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

School Food Service (Continued)

The food services for 2024-2025 were awarded to Maschio's Inc. on their proposal of a management fee of $13,920 with a guaranteed break even for the district. The food service provider was in compliance with all statutes and regulations. The operating results provision has been met. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

The financial transactions and statistical records of the School Food Services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement vouchers were timely filed, and meals claimed agreed with meal count records.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days. The free and reduced price meal policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications were completed and available for review.

Cash receipts and bank records were reviewed for timely deposits per state guidelines.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursement records reflected expenditures for program related goods and services. The District deposited' and expended program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

Net cash resources did not exceed three months average expenditures.

U.S.D.A commodities were received and a separate inventory was maintained on a first-in, first-out basis.

Aftercare Program

No items were noted during our review of the aftercare program.

Student Body Activities

No items were noted during our review of the student activity funds.

Scholarship Fund

No items were noted during our review of the scholarship fund.

Administrative Findings – Financial, Compliance and Performance

GAAP Accounting Implementation

The school district's double entry system of accounting records were maintained in accordance with the Department of Education's prescribed GAAP Technical Systems Manual, pursuant to N.J.S.A. 18:A4-14 and N.J.A.C. 6:20-2A.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2024 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 exception. The information that was included on the workpapers was verified without 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 written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2024-2025 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.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding 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 consistency 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. We found the following exception:

> ***Finding #2025-001: Capital Asset Records:***
> During our audit, we noted that the District had not maintained its capital asset records on a timely basis. The fixed asset listing had not been updated since fiscal year 2017 and did not include capital asset additions, disposals, improvements, or accumulated depreciation for subsequent years. Prior to the release of the audit, the District obtained a fixed asset appraisal study prepared by an outside party to assist in updating and supporting the capital asset balances reported in the financial statements.
>
> The lack of timely maintenance of capital asset records increases the risk that capital asset and depreciation amounts may not be accurately recorded in the financial statements.
>
> ***Recommendation:***
> It is recommended that the District maintain and update its capital asset records on an annual basis, including additions, disposals, improvements, and accumulated depreciation, and reconcile the records to supporting documentation and appraisal information, as applicable.

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 the 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).

Miscellaneous

The school district complied with continuing disclosure agreements made in relation to prior year's bond issuances.

Follow-up on Prior Year Findings

In accordance with governmental auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings.

Acknowledgment

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

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

KENILWORTH SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER FOR MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Program	Meal Category	Meals Claimed	Meals Tested	Meals Verified	Difference	Rate	(Over) Under Claim
National School Lunch (Regular Rate)	Paid	49,923	22,465	22,465	-	0.42	$ -
	Reduced	9,032	4,064	4,064	-	4.03	-
	Free	35,763	16,093	16,093	-	4.43	-
	TOTAL	94,718	42,622	42,622	-		-
National School Lunch (Regular Rate)	HHFKA - PB Lunch Only*	94,718	42,622	42,622	-	0.09	$ -
	TOTAL	94,718	42,622	42,622	-		-
School Breakfast (Regular Rate)	Paid	1,045	470	470	-	0.39	$ -
	Reduced	6	3	3	-	2.07	-
	Free	409	184	184	-	2.37	-
	TOTAL	1,460	657	657	-		$ -
School Breakfast (Severe Need Rate)	Paid	1,219	549	549	-	0.39	$ -
	Reduced	752	338	338	-	2.54	-
	Free	2,373	1,068	1,068	-	2.84	-
	TOTAL	4,344	1,955	1,955	-		$ -
TOTAL NET OVERCLAIM							$ -

*For "Federal PB Lunch" Healthy Hunger-Free Kids Act of 2010

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

KENILWORTH SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER FOR MEALS SERVED AND (OVER) UNDERCLAIM - STATE
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Program	Meal Category	Meals Claimed	Meals Tested	Meals Verified	Difference	Rate	(Over) Under Claim
State Reimbursement -	Paid	49,923	22,465	22,465	-	0.060	$ -
National School Lunch	Reduced	9,032	4,064	4,064	-	0.070	-
(Regular Rate)	Reduced*	9,032	4,064	4,064	-	0.400	-
	Free	35,763	16,093	16,093	-	0.070	-
	NJEIE***	1,325	596	596	-	4.010	-
	TOTAL	105,075	47,282	47,282	-		-
State Reimbursement -	Paid	1,045	470	470	-	-	$ -
School Breakfast	Reduced*	6	3	3	-	0.30	-
(Regular Rate)	Bkfst/Bell**	-	-	-	-	0.10	-
	Free	409	184	184	-	-	-
	NJEIE***	-	-	-	-	1.98	-
	TOTAL	1,460	657	657	-		$ -
State Reimbursement -	Paid	1,219	549	549	-	-	$ -
School Breakfast	Reduced*	752	338	338	-	0.30	-
(Severe Need Rate)	Bkfst/Bell**	-	-	-	-	0.10	-
	Free	2,373	1,068	1,068	-	-	-
	NJEIE***	178	80	80	-	2.45	-
	TOTAL	4,522	2,035	2,035	-		$ -
TOTAL NET OVERCLAIM							$ -

*For Rule N.J.A.C. 2:36-1.1 "State Appropriation to Schools for Reduced-Price Breakfasts and Lunches"
**For Rule N.J.A.C. 2:36-1.22 "State Appropriation to Schools for Breakfast After the Bell"
***For Rule N.J.A.C. 18A:33-4 "State Appropriation to Schools for Middle Income Families"

KENILWORTH SCHOOL DISTRICT
NET CASH RESOURCE SCHEDULE

Net cash resources did/did not exceed three months of expenditures
Proprietary Funds - Food Service
For the Fiscal Year Ended June 30, 2025

			Food Service B - 4/5	
Net Cash Resources:				
ACFR	**Current Assets**			
B-4	Cash & Cash Equiv.	$	165,057.00	
B-4	Due from Other Gov'ts		14,244.00	
B-4	Accounts Receivable		21,586.00	
B-4	Investments		-	
ACFR	**Current Liabilities**			
B-4	Less Accounts Payable		(3,082.00)	
B-4	Less Accruals		-	
B-4	Less Due to Other Funds		-	
B-4	Less Deferred Revenue		-	
	Net Cash Resources	**$**	**197,805.00**	**(A)**
Net Adj. Total Operating Expense:				
B-5	Tot. Operating Exp.	$	702,127.00	
B-5	Less Depreciation		-	
	Adj. Tot. Oper. Exp.	**$**	**702,127.00**	**(B)**
Average Monthly Operating Expense:				
	B / 10	**$**	**70,212.70**	**(C)**
Three times monthly Average:				
	3 X C	**$**	**210,638.10**	**(D)**

TOTAL IN BOX A	$	197,805.00
LESS TOTAL IN BOX D	$	210,638.10
NET	**$**	**(12,833.10)**

From above:

A is greater than D, cash exceeds 3 X average monthly operating expenses.
D is greater than A, cash does not exceed 3 X average monthly operating expenses.

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

SCHEDULE OF AUDITED ENROLLMENTS

KENILWORTH BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

SHEET 1

	2025-2026 Application for State School Aid						Sample for Verification						Private School 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				
Half Day Preschool	-		-													
Full Day Preschool	21		21				21	21			21	21				
Half Day Kindergarten	-		-				-	-								
Full Day Kindergarten	78		78				78	78			78	78				
One	76		76				76	76			76	76				
Two	60		60				60	60			60	60				
Three	79		79				79	79			79	79				
Four	84		84				84	84			84	84				
Five	76		76				76	76			76	76				
Six	87		87				87	87			87	87				
Seven	86		86				86	86			86	86				
Eight	88		88				88	88			88	88				
Nine	84		84				84	84			84	84				
Ten	72		72				72	72			72	72				
Eleven	67		67				67	67			67	67				
Twelve	105		105				105	105			105	105				
Post-Graduate	-		-													
Adult H.S. (15+CR.)	-		-													
Adult H.S. (1-14 CR.)	-		-													
Subtotal	1,063	-	1,063	-	-	-	1,063	1,063	-	-	1,063	1,063	-	-	-	-
Special Ed - Elementary	62		62				63		63							
Special Ed - Middle	36		36				36		36							
Special Ed - High	-															
Subtotal	98	-	98	-	-	-	99	-	99	-	-	-	-	-	-	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	1,161	-	1,161	-	-	-	1,162	1,063	99	-	1,063	1,063	-	-	-	-
Percentage Error					0.00%	0.00%					91.48%	100.00%				0.00%

KENILWORTH BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	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 Application and Register	Sample Errors
Half Day Preschool	-	-					-	`				
Full Day Preschool	7	7					-	-				
Half Day Kindergarten	-	-					-	-				
Full Day Kindergarten	19	19					6	6		6	6	
One	16	16					5	5		5	5	
Two	14	14					1	1		1	1	
Three	19	19					7	7		7	7	
Four	20	20					5	5		5	5	
Five	22	22					5	5		5	5	
Six	20	20					3	3		3	3	
Seven	24	24					2	2		2	2	
Eight	26	26					2	2		2	2	
Nine	21	21					2	2		2	2	
Ten	25	25					2	2		2	2	
Eleven	16	16					-	-		-	-	
Twelve	30	30					7	7		7	7	
Post-Graduate	-	-					-	-				
Adult H.S. (15+CR.)	-	-					-	-				
Adult H.S. (1-14 CR.)	-	-					-	-				
Subtotal	279	279	-	-	-	-	47	47	-	47	47	-
Special Ed - Elementary	14	14		14	14							
Special Ed - Middle	10		10	10	10		3	3		3	3	
Special Ed - High												
Subtotal	24	14	10	24	24	-	3	3	-	3	3	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	303	293	10	24	24	-	50	50	-	50	50	-
Percentage Error			3.30%			0.00%			0.00%			0.00%

KENILWORTH BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

	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 Preschool	-	-				
Full Day Preschool	-	-				
Half Day Kindergarten	-	-				
Full Day Kindergarten	1	1		1	1	
One	2	2		2	2	
Two	2	2		2	2	
Three	2	2		2	2	
Four	1	1		1	1	
Five	1	1		1	1	
Six	2	2		2	2	
Seven	1	1		1	1	
Eight	1	1		1	1	
Nine	-	-		-	-	
Ten	2	2		2	2	
Eleven	3	3		3	3	
Twelve	3	3		3	3	
Post-Graduate	-	-				
Adult H.S. (15+CR.)	-	-				
Adult H.S. (1-14 CR.)	-	-				
Subtotal	21	21	-	21	21	-
Special Ed - Elementary	1	1				
Special Ed - Middle	1	1				
Special Ed - High						
Subtotal	2	2	-	-	-	-
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Subtotal	-	-	-	-	-	-
Totals	23	23	-	21	21	-
Percentage Error			0.00%			0.00%

SCHEDULE OF AUDITED ENROLLMENTS

KENILWORTH BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

SHEET 4

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	13	13				
Reg. - SpEd, col. 4	2	2				
Transported - Non-Public, col. 3	85	85				
Special Ed Spec, col. 6	24	24				
Totals	124	124	-	-	-	-
Percentage Error						0.00%

	Reported	Recalculated
Reg Avg. (Mileage) = Regular Including Grade PK students (Part A)	17.1	17.1
Reg Avg. (Mileage) = Regular Excluding Grade PK students (Part B)	If Applicable	
Spec Avg. = Special Ed with Special Needs	7.0	7.0

Military Connected Students

Reported on A.S.S.A. as	Sample for		
Military Connected Students	Verification	Verified	Errors
0	0	0	0

EXCESS SURPLUS CALCULATION

N.J.S.A. 18A:7F-7 requires that excess surplus for regular school districts and charter schools/renaissance school projects is calculated using 2% for June 30, 2005 and thereafter. Pursuant to P.L. 2007, c.62, the minimum is $250,000, effective with the year ending June 30, 2007.

Charter schools and renaissance school projects are not subject to the excess surplus limitations. Accordingly, charter school auditors are not required to document the calculation of excess surplus.

CALCULATION:

Complete Sections 1 and 2. If the total of Section 2 is **greater** than the applicable portion of Section 1, enter the difference in Section 3. If the difference results in a negative, enter a zero in Section 3. The applicable sections are to be submitted as part of the Auditors' Management Report.

Note that beginning with the excess surplus calculation for the year ending June 30, 2012 the transfer to food services is not an allowable adjustment (increase) to total general fund expenditures.

EXCESS SURPLUS CALCULATION

KENILWORTH SCHOOL DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2024-25 Total General Fund Expenditures per the ACFR, Ex. C-1	$ 41,198,016	(B)		
Increased by:				
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:				
Oh-Behalf TPAF Pension & Social Security	(8,304,430)	(B2a)		
Assets Acquired Under Capital Leases	-	(B2b)		
Adjusted 2024-25 General Fund Expenditures	32,893,586	(B3)		
2% of Adjusted 2024-25 General Fund Expenditures	657,872	(B4)		
Enter Greater of (B4) or $250,000	657,872	(B5)		
Increased by: Allowable Adjustment *	135,543	(K)		
Maximum Unassigned Fund Balance/Undesignated-Unreserved Fund Balance			$ 793,415	(M)

SECTION 2

Total General Fund - Fund Balance @ 6/30/2025 (Per ACFR Budgetary Comparison Schedule C-1)	$ 6,119,550	(C)		
Decrease by:				
Year-end Encumbrances	(622,245)	(C1)		
Legally Restricted - Designated for Subsequent Year's Expenditures	-	(C2)		
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	(826,312)	(C3)		
Other Restricted Fund Balances ****	(2,426,902)	(C4)		
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	(1,081,416)	(C5)		
Total Unassigned Fund Balance			1,162,675	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus ***	$ 369,260	(E)

Recapitulation of Excess Surplus as of June 30, 2025

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	$ 826,312	(C3)
Reserved Excess Surplus ***	369,260	(E)
Total Excess Surplus	1,195,572	(D)

EXCESS SURPLUS CALCULATION

KENILWORTH SCHOOL DISTRICT

Footnotes:

* 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 Comparision 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 Transporation Aid.
(J5) Supplemental Stabilization Aid & Maintenance of Equity Aid

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transporation Aid.

Detail of Allowable Adjustments

Impact Aid	$ -	(H)
Sale & Lease-Back	-	(I)
Extraordinary Aid	135,543	(J1)
Additional Nonpublic School Transportation Aid	-	(J2)
Current Year School Bus Advertising Revenue Recognized	-	(J3)
Family Crisis Transportation Aid	-	(J4)
Supplemental Stabilization Aid & Maintenance of Equity Aid	-	(J5)
Total Adjustments	$ 135,543	(K)

** This amount represents the June 30, 2025 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2025 ACFR and must agree to Audit Summary Worksheet Line 90030.

**** Amount for Other Reserved 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 an other type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:		
Approved unspent separate proposal	$ -	
Sale/lease-back reserve	-	
Capital reserve	(1,334,712)	
Maintenance reserve	(350,004)	
Emergency reserve	(250,000)	
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 (Sections 8002 and 8003)	-	
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	-	
Other state/government mandated reserve	-	
Reserve for Unemployment Fund	(492,186)	
[Other Restricted Fund Balance not noted above] ****	-	
Total Other Restricted Fund Balance	$ (2,426,902)	(C4)

KENILWORTH SCHOOL DISTRICT
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Findings and Recommendations:

1. Administrative Practices and Procedures

   None

2. Financial Planning, Accounting and Reporting

   <u>Board Secretary's Records</u>

   Finding #2025-002: Balance Sheet Account Reconciliations
   The District does not have a formal process in place to reconcile balance sheet accounts on a regular basis. During our audit, we noted that certain balance sheet accounts were not reconciled to supporting records, subsidiary ledgers, schedules, or other underlying documentation. As a result, the District's general ledger may include unsupported balances, unidentified reconciling items, prior period carryforward amounts, or transactions requiring adjustment.

   Recommendation:
   The District should establish and implement written procedures requiring all significant balance sheet accounts to be reconciled on a timely basis and reviewed by appropriate supervisory personnel. Reconciliations should agree the general ledger balance to supporting documentation, identify and explain reconciling items, include any necessary adjusting entries, and contain evidence of preparation and review. The District should also maintain a reconciliation checklist to ensure that all applicable balance sheet accounts are completed and reviewed as part of the monthly, quarterly, and year-end closing process.

3. School Purchasing Programs

   None

4. Food Service Program

   None

5. Aftercare Program

   None

6. Student Body Activities

   None

7. Scholarship Fund

   None

Findings and Recommendations (Continued):

8. Application for State School Aid/Charter School Enrollment System/Charter School Aid

   None

9. Pupil Transportation

   None

10. Facilities and Capital Assets

    Finding #2025-001: Capital Asset Records:
    During our audit, we noted that the District had not maintained its capital asset records on a timely basis. The fixed asset listing had not been updated since fiscal year 2017 and did not include capital asset additions, disposals, improvements, or accumulated depreciation for subsequent years. Prior to the release of the audit, the District obtained a fixed asset appraisal study prepared by an outside party to assist in updating and supporting the capital asset balances reported in the financial statements.

    The lack of timely maintenance of capital asset records increases the risk that capital asset and depreciation amounts may not be accurately recorded in the financial statements.

    Recommendation:
    It is recommended that the District maintain and update its capital asset records on an annual basis, including additions, disposals, improvements, and accumulated depreciation, and reconcile the records to supporting documentation and appraisal information, as applicable.

11. Miscellaneous

    None

12. Status of Prior Year Audit Findings/Recommendations

    None.