

**CARLSTADT-EAST RUTHERFORD REGIONAL
BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2024**

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
TABLE OF CONTENTS**

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

	<u>Page No.</u>
Independent Auditor's Management Report	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-4
School Purchasing Programs	4-5
Food Service Fund	5-6
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	6
Facilities and Capital Assets	7
Testing for Lead of all Drinking Water in Educational Facilities	7
Follow-up on Prior Year Findings	7
Suggestions to Management	7
Schedule of Meal County Activity – Not Applicable	8
Net Cash Resource Schedule	9
Schedule of Audited Enrollments	10-12
Calculation of Excess Surplus	13
Recommendations	14
Acknowledgment	15



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S MANAGEMENT REPORT

Honorable President and
Members of the Board of Education
Carlstadt-East Rutherford Regional Board of Education
East Rutherford, New Jersey

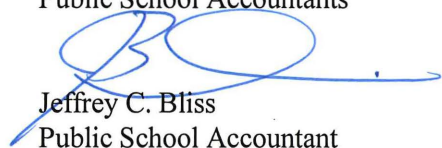
We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Carlstadt-East Rutherford Regional Board of Education as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated January 30, 2025.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of management, the Board of Education, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Lerch, Vinci & Bliss, LLP

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 30, 2025

**CARLSTADT-EAST RUTHERFORD REGIONAL 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 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 the Insurance Schedule (Exhibit J-20) contained in the district's Annual Comprehensive Financial Report (ACFR).

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Jessenia Kan	Board Secretary/School Business Administrator	\$225,000

There is an Employee Dishonesty and Faithful Performance coverage with the Great American Insurance Group covering all other employees with multiple coverage of \$100,000 per employee and \$500,000 per loss.

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 did appear to 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 was not submitted timely.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not reveal any material discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account

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

All payrolls tested were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including the health benefit withholdings due to the General Fund.

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

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

The District maintains a personnel tracking and accounting (position control) system.

The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law for the reporting of compensation for certain administrative employees.

- **Finding 2024-1** – Our audit revealed the payroll agency contained numerous deduction sub-accounts in a negative position and positive balances that appear invalid. Additionally, an excess balance appears to exist in the payroll agency account at year-end.

Recommendation – The District review and adjust its payroll agency deduction sub-account balances to reflect liabilities due at month end and any excess funds be cleared of record.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

- **Finding 2024-2** – Our audit revealed certain instances where year-end open purchase orders were classified as encumbrances where goods and services were received prior to year-end and therefore should have been classified as accounts payable.

Recommendation – The District enhanced its procedures to ensure purchase orders are reviewed at year-end for proper classification as an accounts payable or outstanding encumbrance.

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, we also selected administrative coding classifications to determine overall reliability and compliance with NJAC 6A:23A-8.3. As a result of the procedures we noted immaterial instances of incorrect budget charges. Therefore we determined no additional procedures were deemed necessary to test the propriety of expenditure classifications.

Board Secretary's Records

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

Acknowledgement of the Board's receipt of the Board Secretary's monthly financial reports was included in the minutes with exception.

The prescribed contractual order system was followed.

- **Finding 2024-3** – Our audit of the District's monthly bank reconciliations revealed several reconciling items which appeared invalid, included interfund transactions that did not agree to the corresponding account's bank reconciliation and remained outstanding throughout the year.

Recommendation – The Treasurer-designee review all reconciling items on the District monthly bank reconciliations to determine their validity and if valid they be cleared of record in a timely manner.

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

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records (Continued)

- **Finding 2024-4** – Our audit of the District’s general ledger revealed certain prior year annual audit entries were not recorded in all the District funds.

Recommendation – All prior year audit entries be recorded in the District accounting records to ensure all general ledger beginning balances agree with the prior year audit balances.

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

Our examination of the E.S.E.A./ESSA 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.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit 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.

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 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. No exceptions were noted.

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 \$22,400.

**CARLSTADT-EAST RUTHERFORD REGIONAL 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)

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, c.198 (c.40A:11-9), the Board of Education may establish that the bid threshold may be up to \$44,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. The Board has designated the School Business Administrator 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.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination did indicate individual payments, contracts, or agreements which were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of statutory thresholds where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 18A:18A-4, as amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that purchases were made through the use of State contracts.

Food Service Fund

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 student during the emergency.

The school food service program was not selected as a major federal 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. Exceptions were not noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. Exceptions were not noted.

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.

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 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 noted the FSMC refunded or credited the applicable amounts to the SFA.

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

Food Service Fund (Continued)

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

Net cash resources did not exceed three months average expenditures.

The district utilized a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable Fixed Price contract were reviewed and audited. The FSMC contract does not include an operating results provision.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Applications for free and reduced price meals were reviewed for completeness and accuracy as part of our audit of the Application for State School Aid ("ASSA").

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Fund Financial Statements Exhibits B-4 to B-6 of the ACFR.

Student Body Activities

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

The accounting records were maintained in good condition.

Receipts tested were deposited in a timely manner.

Disbursements tested had proper supporting documentation.

Application for State School Aid

Audit procedures included a test of information reported in the October 13, 2023 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. A review was performed of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with exceptions noted. The information that was included on the workpapers was verified with exceptions noted. The results of these procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

The district has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 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 without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures 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.

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

Facilities and Capital Assets

Our audit procedures included a review of the transfer of local funds from the General Fund or from the capital reserve accounts, 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.

Follow-up on Prior Year Findings

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

Suggestions to Management

- A Treasurer-designee, other than the Board Secretary, be designated to reconcile the District's bank accounts in accordance with N.J.S.A. 18A:17-9. Additionally, the Treasurer-designee be covered by a surety bond in accordance with the New Jersey Administrative Code.
- The District file reimbursement requests for its federally funded grant programs and food service meal claims in a more timely basis.
- The payroll check distribution verification be completed by May 2025 as required.
- The District discontinued the practice of permitting employees to make purchases of school supplies and materials directly from vendors and reimbursing them for such purchases.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MILKS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOT APPLICABLE

NET CASH RESOURCES SCHEDULE

Proprietary Funds - Food Service FYE 2024

<u>Net Cash Resources:</u>		Food Service <u>B - 4/5</u>	
ACFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 8,302
B-4		Due from Other Gov'ts	148,766
B-4		Other Accounts Receivable	15,677
		Current Liabilities	
B-4		Less Due to Other Funds	(20)
B-4		Less Deferred Revenue	<u>(4,786)</u>
		Net Cash Resources	<u><u>\$ 167,939</u></u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	832,514	
B-5	Less Depreciation	<u>(18,956)</u>	
	Adj. Tot. Oper. Exp.	<u><u>\$ 813,558</u></u>	(B)

Average Monthly Operating Expense:

B / 10	<u><u>\$ 81,356</u></u>	(C)
--------	-------------------------	-----

Three times monthly Average:

3 x C	<u><u>\$ 244,067</u></u>	(D)
-------	--------------------------	-----

TOTAL IN BOX A	<u>\$ 167,939</u>
LESS TOTAL IN BOX D	<u>\$ 244,067</u>
NET	<u><u>\$ (76,128)</u></u>

Net cash resources do not exceed 3 X average monthly operating expenses.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 13, 2023
SCHEDULE OF AUDITED ENROLLMENTS**

	2024-2025 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				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
Grade 9	166	1	166	1	-	-	166	1	166	1	-	-				
Grade 10	185	2	185	2	-	-	185	2	185	2	-	-				
Grade 11	186		186		-	-	186		186		-	-				
Grade 12	156	2	156	1	-	1	156	2	156	1	-	1				
Subtotal	693	5	693	4	-	1	693	5	693	4.0	-	1				
Spec Ed - High School	121	2	120	2	1	-	36		36		-	-	15	5	5	-
Subtotal	121	2	120	2	1	-	36	-	36	-	-	-	15	5	5	-
Totals	814	7	813	6	1	1	729	5	729	4.0	-	1	15	5	5	-
Percentage Error					0.12%	14.29%					0.00%	20.00%				0.00%

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 13, 2023
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 and Register	Sample Errors	Reported on ASSA	Reported on Workpapers	Errors	Sample Selected	Sample Verified	Errors
Grade 9	37	37	-	8	6	2	6	6	-	2	2	-
Grade 10	26.5	26.5	-	11	10	1	2.5	3	(0.5)	1	1	-
Grade 11	20	20	-	7	6	1	2	2	-	1	1	-
Grade 12	20	20	-	12	12	-	1	2	(1)	1	1	-
Subtotal	103.5	103.5	-	38	34	4	11.5	13	(1.5)	5	5	-
Spec Ed - High School	24.5	22	2.5	7	4	3	-	-	-	-	-	-
Subtotal	24.5	22	2.5	7	4	3	-	-	-	-	-	-
Totals	128	125.5	2.5	45	38	7	11.5	13	(1.5)	5	5	-
Percentage Error		1.95%			15.56%			-13.04%			0.00%	

Transportation						
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	48	48	-	14	14	-
Transported - Non-Public			-			-
Regular - Spec. Ed.	5	5	-	2	2	-
Special Needs - Public	23	23	-	7	7	-
Totals	76	76	-	23	23	-
Percentage Error		0.00%			0.00%	

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 13, 2023
SCHEDULE OF AUDITED ENROLLMENTS

	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
Grade 9	6	6	-	2	2	-
Grade 10	2	2	-	1	1	-
Grade 11	7	7	-	2	2	-
Grade 12	1.5	1	0.5	1	1	-
Subtotal	16.5	16	0.5	6	6	-
Spec Ed - High School	1	1	-	1	1	-
Subtotal	1	1	-	1	1	-
Totals	17.5	17	0.5	7	7	-
Percentage Error			2.86%			0.00%

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

SECTION 1 - Two Percent (2%) - Calculation of Excess Surplus

2023-2024 Total General Fund Expenditures	\$ 24,155,963
Increased by:	
Transfer to Special Revenue Fund	65,000
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(3,412,306)</u>
Adjusted 2023-2024 General Fund Expenditures	<u>20,808,657</u>
2% of Adjusted 2023-2024 General Fund Expenditures	<u>416,173</u>
Enter Greater of 2% of Adjusted 2023-2024 General Fund Expenditures, or \$250,000	416,173
Increased by:	
Allowable Adjustment	<u>250,940</u>
Maximum Unreserved/Undesignated Fund Balance	<u>\$ 667,113</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2024	\$ 3,671,335
Decreased by:	
Year-End Encumbrances	\$ 366,341
Capital Reserve	778,978
Capital Reserve - Designated for Subsequent Year's Expenditures	300,000
Maintenance Reserve	213,703
Maintenance Reserve - Designated for Subsequent Year's Expenditures	200,500
Designated for Subsequent Year's Expenditures	<u>605,171</u>
	<u>2,464,693</u>
Total Unassigned Fund Balance for Excess Surplus Calculation	<u>\$ 1,206,642</u>

SECTION 3

Restricted Fund Balance - Excess Surplus	<u>\$ 539,529</u>
--	-------------------

Detail of Allowable Adjustments

Extraordinary Aid	242,750
Nonpublic Transportation Aid	<u>8,190</u>
	<u>\$ 250,940</u>

Recapitulation of Excess Surplus as of June 30, 2024

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ -
Reserved Excess Surplus	<u>539,529</u>
Total Excess Surplus	<u>\$ 539,529</u>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMING REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. The District review and adjust its payroll agency deduction sub-account balances to reflect liabilities due at month end and any excess funds be cleared of record.
2. The District enhance its procedures to ensure purchase orders are reviewed at year-end for proper classification as an accounts payable or outstanding encumbrance.
3. The a Treasurer-designee review all reconciling items on the District monthly bank reconciliations to determine their validity and if valid they be cleared of record in a timely manner.
4. All prior year audit entries be recorded in the District accounting records to ensure all general ledger beginning balances agree with the prior year audit balances.

III. School Purchasing Program

There are none.

IV. Enterprise Funds

There are none.

V. Student Body Activities

There are none.

VI. Application for State School Aid

There are none.

VII. Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

VIII. Miscellaneous

There are none.

IX. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations. Corrective action was taken on all prior year recommendations.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS-FINANCIAL, COMPLIANCE AND PERFORMING REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

ACKNOWLEDGEMENT

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.

Respectfully submitted,

LERCH, VINCI & BLISS, LLP



Jeffrey C. Bliss
Certified Public Accountant
Public School Accountant