

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

**EDGEWATER BOARD OF EDUCATION
TABLE OF CONTENTS**

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

	<u>Page No.</u>
Report of Independent Auditors	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-6
School Purchasing Programs	6-7
Food Service Fund	7-8
Student Body Activities	8
Preschool Program	9
Application for State School Aid	9
Pupil Transportation	9
Facilities and Capital Assets	9
Testing for Lead of all Drinking Water in Educational Facilities	9
Suggestions to Management	10
Follow-up Prior Year Findings	10
Schedule of Meal Count Activity – Not Applicable	11
Net Cash Resource Schedule	12
Schedule of Audited Enrollments	13-15
Excess Surplus Calculation	16
Recommendations	17-18
Acknowledgement	18



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

Honorable President and Members
of the Board of Education
Edgewater Board of Education
Edgewater, 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 Edgewater Board of Education, County of Bergen, State of New Jersey as of and for the fiscal year ended June 30 2024, and have issued our report thereon dated January 2, 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 for the information of management, the Board of Education, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

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 2, 2025

**EDGEWATER 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>
Walley Lindsley	Business Administrator/ Board Secretary	\$250,000
Douglas Triplett	Treasurer of School Monies	\$275,000

There is Public Employee Dishonesty and Faithful Performance policy with the New Jersey Schools Insurance Group covering all other employees with multiple 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 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 data was submitted timely.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did indicate certain discrepancies with respect to signatures, certifications and supporting documentation.

- **Finding 2024-1** – Our audit of purchases orders and claims paid during the year revealed the following:
 - Certain claims were paid without vendor invoices or other supporting documentation during the fiscal year.
 - Several purchase orders did not contain a receipt of goods signature as required.

Recommendation – Claims be paid only after vendor invoices or other sufficient documentation is obtained and verified and receipt of goods signatures are obtained on purchase orders as required.

**EDGEWATER 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

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.

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

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

A position control roster was maintained in an electronic (Excel) format, however it was not integrated with the District's budget and payroll accounting systems in accordance with N.J.A.C. 6A:23A-6.8. We did note the District is updating its financial accounting and reporting system to a new system which will include a fully integrated position control roster with the budget and payroll accounting systems. The new system has been installed and will be operational effective January 1, 2024.

- **Finding 2024-2** – A payroll deduction ledger was not maintained by the District to account for payroll deduction by their respective categories.

Recommendation – The District implement and maintain a payroll deduction ledger by individual deduction category.

- **Finding 2024-3** – Our review of additional compensation paid revealed the rate of pay for “extra regular pay” and overtime pay was not consistently applied for certain individuals.

Recommendation – Rate of pay for overtime and extra regular pay be paid based on the employment contract terms and be consistently applied.

- **Finding 2024-4** – Our audit of payroll tax reporting revealed federal tax deposits were not remitted timely.

Recommendation – The District remit its payroll tax deposits in a timely manner.

- **Finding 2024-5** – No supporting documentation was provided to support our sample of manually issued payroll checks.

Recommendation – Supporting documentation for manually issued payroll checks be maintained on file and available for audit.

- **Finding 2024-6** – Taxable wages reported for State unemployment insurance and family leave insurance on the quarterly NJ 927W were not in agreement with the District's internal records. It appears the District is under reporting and under paying these quarterly taxes.

Recommendation – The District accurately report the taxable wages for State unemployment and family leave insurance on the Employer's Quarterly Report (NJ 927W).

**EDGEWATER 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)

- **Finding 2024-7** – Our audit of employee health benefit contributions revealed certain contribution amounts calculated were not in accordance with contractual agreements and Board policy. In addition the waiver payment to two (2) individuals tested did not appear to be calculated correctly.

Recommendation – Procedures be reviewed and revised to ensure employee health benefit contributions and waiver payments are calculated in accordance with contractual agreements and Board policy.

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.

- **Finding 2024-8 (ACFR Finding 2024-003)** – With respect to year end encumbrances and accounts payable:
 - Our audit of year end open purchase orders in the General and Special Revenue Fund revealed certain encumbrances were deemed overstated at June 30, 2024. Audit adjustments were made to cancel these purchase orders, accordingly.
 - Our audit of payments made subsequent to June 30, 2024 and other supporting documentation revealed unrecorded liabilities and encumbrances that were not reflected in the District's accounting records at year end. Audit adjustments were made to record these amounts.

Recommendation - Procedures be reviewed and revised to ensure open purchase orders are reviewed at year end and invalid orders be cancelled accordingly. In addition, greater care be exercised to ensure all current year liabilities and encumbrances are recorded at year end.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23 A-16.(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 additional testing was deemed necessary to test the propriety of expenditure classifications.

Travel Policy

The District had an approved Board travel policy as required by NJAC 6A:23A-6.13 and NJSA 18A:11-12.

Board Secretary's Records

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

Acknowledgement of the Board's receipt of the Board Secretary's monthly financial reports were included in the minutes.

The prescribed contractual order system was followed with exceptions noted.

**EDGEWATER 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 2024-9 (ACFR Finding 2024-001 and 2024-004)** – The year-end monthly Board Secretary's and Treasurer's reports for June 2024 were not in agreement.

Recommendation – The monthly financial reports of the Board Secretary and Treasurer of School Monies be reconciled and in agreement prior to submission to the Board for their approval.

- **Finding 2024-10 (ACFR Finding 2024-006)** – The Board did not approve the resolution to transfer unanticipated revenue or unexpended line item appropriation to the capital reserve, maintenance reserve and emergency reserve in June of the budget year. The resolution to transfer to the respective reserves was approved in July 2024.

Recommendation - Greater care be exercised to ensure the District approve the deposits into the reserve accounts in June as required.

Treasurer's Records

The Treasurer did perform cash reconciliations for all District accounts.

The Treasurer's bank reconciliations were not in agreement with the records of the School Business Administrator/Board Secretary as previously noted above.

- **Finding 2024-11** – The Treasurer monthly reports did not include all accounts of the District. Additionally certain bank reconciliations at June 30, 2024 did not include all reconciling items or included invalid reconciling items. We also noted several of the bank accounts reconciled were not in agreement with the District records at year end.

Recommendation – The Treasurer's monthly reports and bank reconciliations properly reflect reconciling items, include all District accounts and be in agreement with the District's financial records.

Acknowledgement of the Board's receipt of the Treasurer's monthly financial reports was included in the minutes.

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, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

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.

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

Financial Planning, Accounting and Reporting (Continued)

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. As previously mentioned in Finding 2024-5 payroll reports to support amounts reimbursed were not provided for audit.

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

The amount of the 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 2024-12** – Our audit revealed that the reimbursement due to the State of New Jersey for pension and social security contributions for federally funded program salaries was not prepared or remitted within the 90 day liquidation period.

Recommendation – The reimbursement due to the State for TPAF pension and social security contributions for federally funded program salaries be prepared and 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 \$19,600 for 2020-2021.

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 designated the Interim School Business Administrator as the qualified purchasing agent and approved a bid threshold of \$44,000.

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 certain 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 we were unable to determine if there had been advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

**EDGEWATER 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)

- **Finding 2024-13 (ACFR Finding 2024-005)** – Our audit of purchases and contract awards in excess of the bid and quote thresholds revealed the following as it related to compliance with the Public School Contracts Law and State procurement regulations:
 - No documentation was provided to support certain contracts indicated as awarded through publicly advertised bids in accordance with the requirements of the Public School Contract Law (N.J.S.A. 18A:18A).
 - We noted cooperative purchasing program contract award information was not on file in the District and not being reviewed to ensure amounts invoiced were goods or services and prices in the approved cooperative purchasing program award.
 - We noted payments made for several goods and services which exceeded the quote threshold, however competitive quotations were not provided for audit.
 - Business Registration Certificated (BRC) or Political Contribution Disclosure Forms (PCD) were not provided or available for certain vendors.
 - We noted approved professional service contract awards for which the post-award contract advertisement notices were not provided for audit.
 - We noted one contract was awarded that required a post award notice to the Office of the State Comptroller that were no filed as required.
 - We noted change orders totaling \$438,455 to original contract awards for construction services that were not approved by Board resolution in the current fiscal year. We noted only \$21,075 of the change orders noted above were approved by resolution in July 2024.
 - A contract renewal for Food Service Management services was not approved by Board resolution.

Recommendation - Internal control procedures over purchasing be reviewed and revised to ensure all contract awards and purchases which exceed the bid and quote thresholds are made in accordance with the requirements of the Public School Contracts Law and State procurement regulations. In addition, documentation be maintained on file and made available for audit to support the district's compliance with the procedures required under the Public School Contracts Law and State procurement regulations.

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.

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 ages 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 students 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 as to whether the School Food Authority (the "SFA") had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

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

Food Service Fund (Continued)

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. No exceptions were noted.

We also 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 cost applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Program. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

The financial transactions and records of the school food services were maintained in satisfactory condition. The financial accounts and records were reviewed on a test-check basis.

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, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were not reviewed. The FSMC contract includes an operating results provision which guarantees that the Food Service program will have a profit of \$10,000. The operating results provision was met for the 2023/2024 school year.

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 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.

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).

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

The Statement of Revenues, Expenses and Changes in Net Position (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.

Student Body Activities

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

All cash disbursements tested had proper supporting documentation.

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

Preschool Program

The District operates a pre-kindergarten program for resident children based on an annual fee.

- **Finding 2024-14 (ACFR Finding 2024-002)** – With respect to the Preschool Program we noted the following:
 - The program ended the year in a net position deficit of \$96,481 at June 30, 2024.
 - Program salaries and employee benefits of the Preschool Program Enterprise Fund were not being charged to the program during the school year. An audit adjustment was required to reallocate program salaries and employee benefits costs from the General Fund budget.

Recommendation – With respect to the Preschool Program:

- Appropriate action be taken to eliminate the deficit in net position at June 30, 2024 in the Preschool Program Enterprise Fund.
- Program salaries and employee benefits be properly charged to the Preschool Program Enterprise Fund during the year.

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 exceptions noted. The information that was included on the workpapers was verified with exceptions noted. 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 2023-24 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 procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

The District had active SDA grant projects during the current year.

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.

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

Suggestions to Management

- Interfund balances be liquidated prior to year-end.
- Program fees of the preschool program be approved by Board resolution.
- Long Range Facilities Plan be updated and made current.
- A standard system of accounting and reporting be implemented for the student activity accounts.
- District obtain the updated capital asset report on a timely basis.

Follow-up Prior Year Findings

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

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

N/A – INFORMATION NOT REQUIRED

**EDGEWATER BOARD OF EDUCATION
FOOD SERVICE FUND
COMPARISON OF NET CASH RESOURCES TO THREE MONTHS AVERAGE EXPENDITURES
ENTERPRISE FUND
AS OF JUNE 30 2024**

NET CASH RESOURCE SCHEDULE

<u>Net Cash Resources:</u>		<u>Total</u>	<u>Reference</u>
ACFR			
<u>Exhibit</u>			
	Current Assets		
B-4	Cash & Cash Equivalents	\$ 95,584	
B-4	Intergovernmental Receivable	6,536	
B-4	Other Accounts Receivable	3,379	
B-4	Due From Other Funds		
ACFR			
	Current Liabilities		
B-4	Less Accounts Payable		
B-4	Less Due to Other Funds	(12,488)	
B-4	Less Unearned Revenue	(8,267)	
	Net Cash Resources	<u>\$ 84,744</u>	(A)
<u>Total Net Adjusted Operating Expenses:</u>			
B-5	Total Operating Expenses	\$ 414,826	
B-5	Less Depreciation	(18,845)	
	Total Net Adjusted Total Operating Expenditures	<u>\$ 395,981</u>	(B)
<u>Average Monthly Operating Expenses:</u>			
	Total Net Adjusted Operating Expenses (B) / 10 months	<u>\$ 39,598</u>	(C)
<u>Three Times Monthly Average:</u>			
	3 X Average Monthly Expenses (C)	<u>\$ 118,794</u>	(D)

TOTAL NET CASH RESOURCES	\$ 84,744	(A)
LESS THREE MONTHS AVERAGE EXPENDITURES	\$ 118,794	(D)
NET OVER (UNDER)	<u>\$ (34,050)</u>	
NET CASH RESOURCES DO EXCEED THREE MONTH AVERAGE EXPENDITURES		

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

SOURCE - USDA resource management comprehensive review form

**EDGEWATER BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2023
SCHEDULE OF AUDITED ENROLLMENTS**

	2024-25 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Veri-fication	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool - 3yr		-		-	-	-		-		-		-				
Half Day Preschool - 4yr		-		-	-	-		-		-		-				
Full Day Preschool - 3yr		-		-	-	-		-		-		-				
Full Day Preschool - 4yr	20	-	20.0	-	-	-	20.0	-	21.0	-	(1.0)	-				
Half Day Kindergarten		-		-	-	-		-		-		-				
Full Day Kindergarten	82	-	82.0	-	-	-	82.0	-	84.0	-	(2.0)	-				
One	77	-	77.0	-	-	-	77.0	-	78.0	-	(1.0)	-				
Two	89	-	89.0	-	-	-	89.0	-	87.0	-	2.0	-				
Three	73	-	73.0	-	-	-	73.0	-	70.0	-	3.0	-				
Four	100	-	98.0	-	2.0	-	98.0	-	98.0	-	-	-				
Five	68	-	68.0	-	-	-	68.0	-	68.0	-	-	-				
Six	82	-	81.0	-	1.0	-	81.0	-	81.0	-	-	-				
Seven		-		-	-	-		-		-	-	-				
Eight		-		-	-	-		-		-	-	-				
Nine																
Ten																
Eleven																
Twelve																
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	- 591.0 -	- -	- 588.0 -	- -	- 3 -	- -	- 588.0 -	- -	- 587.0 -	- -	- 1.0 -	- -	- -	- -	- -	- -
Special Ed - Elementary	80.0	-	80.0	-	-	-	18.0	-	18.0	-	-	-	1.0	2.0	2.0	-
Special Ed - Middle School	9.0	-	9.0	-	-	-	2.0	-	2.0	-	-	-	2.0	1.0	1.0	-
Special Ed - High School		-		-	-	-		-		-	-	-	9.0	5.0	1.0	4
Subtotal	<u>89.0</u>	<u>- -</u>	<u>89.0</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>20.0</u>	<u>- -</u>	<u>20.0</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>12.0</u>	<u>8.0</u>	<u>4.0</u>	<u>4</u>
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	<u>680.0</u>	<u>-</u>	<u>677.0</u>	<u>-</u>	<u>3.0</u>	<u>-</u>	<u>608.0</u>	<u>-</u>	<u>607.0</u>	<u>-</u>	<u>1.0</u>	<u>-</u>	<u>12.0</u>	<u>8.0</u>	<u>4.0</u>	<u>4.0</u>
Percentage Error					<u>0.44%</u>	<u>0.00%</u>					<u>0.16%</u>	<u>0.00%</u>				<u>50.00%</u>

**EDGEWATER BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
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 A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool						-						
Half Day Kindergarten	-	-		-		-						
Full Day Kindergarten	6.0	6.0	0.0	2	2	-	1.0	1	-	1	1	-
One	5.0	5.0	0.0	1	1	-	-	0	-	0	0	-
Two	12.0	12.0	0.0	3	3	-	3.0	3	-	1	1	-
Three	8.0	8.0	0.0	2	2	-	1.0	1	-	1	1	-
Four	9.0	9.0	0.0	2	2	-	1.0	1	-	1	1	-
Five	10.0	10.0	0.0	3	3	-	1.0	0	1.0	0	0	-
Six	20.0	20.0	0.0	5	5	-	1.0	1	-	1	1	-
Seven	11.0	10.0	1.0	3	2	1.0	2.0	2	-	1	0	1
Eight	21.0	20.0	1.0	5	5	-	2.0	2	-	1	0	1
Nine	7.0	7.0	0.0	2	2	-	1.0	1	-	1	1	-
Ten	11.0	11.0	0.0	3	3	-	1.0	1	-	1	1	-
Eleven	10.0	10.0	0.0	3	3	-	1.0	1	-	1	0	1
Twelve	20.0	20.0	0.0	5	5	-	1.0	1	-	1	1	-
Post-Graduate									-			
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	150.0	148.0	2.0	39.0	38.0	1.0	16.0	15.0	1.0	11.0	8.0	3.0
Special Ed - Elementary	27.0	26.0	1.0	7.0	7.0	-	1.0	1.0	-	1.0	1.0	-
Special Ed - Middle	10.0	8.0	2.0	3.0	3.0	-	-	-	-	-	-	-
Special Ed - High	24.0	24.0	0.0	6.0	6.0	-	-	-	-	-	-	-
Subtotal	61.0	58.0	3.0	16.0	16.0	-	1.0	1.0	-	1.0	1.0	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	211.0	206.0	5.0	55.0	54.0	1.0	17.0	16.0	1.0	12.0	9.0	3.0
Percentage Error			2.37%			1.82%			5.88%			25.00%

	Transportation				
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified
Reg. - Public Schools, col. 1	984.0	984.0	-	64.0	64.0
Reg -SpEd, col. 4	34.0	34.0	-	2.0	2.0
Transported - Non-Public, col. 2	-	-	-	-	-
Special Ed Spec Needs, col. 6	27.0	27.0	-	2.0	2.0
Totals	1,045.0	1,045.0	\$ -	68.0	68.0
Percentage Error			0.00%		0.00%

**EDGEWATER BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
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
Half Day Preschool			-			
Full Day Preschool						
Half Day Kindegarten			-			
Full Day Kindergarten	29	29	-	7	7	-
One	16	15	1.0	4	4	-
Two	17	17	-	4	4	-
Three	6	5	1.0	1	1	-
Four	15	14	1.0	4	4	-
Five	3	2	1.0	1	1	-
Six	5	5	-	1	1	-
Seven	5	5	-	1	1	-
Eight	3	4	(1.0)	1	1	-
Nine	6	6	-	1	1	-
Ten	1	1	-	1	1	-
Eleven	3	3	-	1	1	-
Twelve	1	1	-	1	1	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	110.0	107.0	3.0	28.0	28.0	-
Special Ed - Elementary	3.0	2.0	1.0	1.0	1.0	-
Special Ed - Middle			-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	3.0	2.0	1.0	1.0	1.0	-
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	113.0	109.0	4.0	29.0	29.0	-
Percentage Error			3.54%			0.00%

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

SECTION 1A

2023-2024 Total General Fund Expenditures per the ACFR	\$ 31,560,709
Increased by:	
Transfer to Capital Projects Fund	1,958,893
Decreased by:	
On-Behalf TPAF Pension & Social Security	(2,875,539)
Assets Acquired Under Capital Leases	<u>(82,673)</u>
Adjusted 2023-2024 General Fund Expenditures	<u>\$ 30,561,390</u>
2.0% of Adjusted 2023-2024 General Fund Expenditures	<u>\$ 611,228</u>
Enter Greater of 2.0% of Adjusted 2023-2024 General Fund Expenditures or \$250,000	\$ 611,228
Increased by: Allowable Adjustments	<u>648,883</u>
Maximum Unassigned Fund Balance	<u>\$ 1,260,111</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2024 (Per ACFR Budgetary Comparison Schedule/Statement)	\$ 23,591,478
Decreased by:	
Year End Encumbrances	\$ 428,208
Capital Reserve	15,890,217
Maintenance Reserve	1,038,374
Emergency Reserve	373,968
Excess Surplus - Designated for Subsequent Year Expenditures	693,968
Tuition Adjustment Reserve	1,932,000
Designated for Subsequent Year's Expenditures	<u>393,767</u>
	<u>20,750,502</u>
Total Unassigned Fund Balance	<u>\$ 2,840,976</u>

SECTION 3

Restricted Fund Balance - Reserved Excess Surplus	<u>\$ 1,580,865</u>
--	----------------------------

Recapitulation of Excess Surplus as of June 30, 2024

Reserved Excess Surplus	\$ 1,580,865
Reserved Excess Surplus - Designated for Subsequent Year Expenditures	693,968
Total Reserved Excess Surplus	<u>\$ 2,274,833</u>

Detail of Allowable Adjustments

Extraordinary Aid (Excess of Budget)	\$ 587,913
Non Public School Transportation Aid	60,970
	<u>\$ 648,883</u>

**EDGEWATER BOARD OF EDUCATION
RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Claims be paid only after vendor invoices or other sufficient documentation is obtained and verified and receipt of goods signatures are obtained on purchase orders as required.
- * 2. The District implement and maintain a payroll deduction ledger by individual deduction category.
- * 3. Rate of pay for overtime and extra regular pay be paid based on the employment contract terms and be consistently applied.
- * 4. The District remit its payroll tax deposits in a timely manner.
5. Supporting documentation for manually issued payroll checks be maintained on file and available for audit.
6. The District accurately report the taxable wages for State unemployment and family leave insurance on the Employer's Quarterly Report (NJ 927W).
- * 7. Procedures be reviewed and revised to ensure employee health benefit contributions and waiver payments are calculated in accordance with contractual agreements and Board policy.
8. Procedures be reviewed and revised to ensure open purchase orders are reviewed at year end and invalid orders be cancelled accordingly. In addition, greater care be exercised to ensure all current year liabilities and encumbrances are recorded at year end.
- * 9. The monthly financial reports of the Board Secretary and Treasurer of School Monies be reconciled and in agreement prior to submission to the Board for their approval.
10. Greater care be exercised to ensure the District approve the deposits into the reserve accounts in June as required.
11. The Treasurer's monthly reports and bank reconciliations properly reflect reconciling items, include all District accounts and be in agreement with the District's financial records.
12. The reimbursement due to the State for TPAF pension and social security contributions for federally funded program salaries be prepared and remitted in a timely manner.

III. School Purchasing Program

- * 13. It is recommended that internal control procedures over purchasing be reviewed and revised to ensure all contract awards and purchases which exceed the bid and quote thresholds are made in accordance with the requirements of the Public School Contracts Law and State procurement regulations. In addition, documentation be maintained on file and made available for audit to support the district's compliance with the procedures required under the Public School Contracts Law and State procurement regulations.

IV. School Food Service

There are none.

**EDGEWATER BOARD OF EDUCATION
RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

V. Student Body Activities

There are none.

VI. Preschool Program

14. It is recommended that with respect to the Preschool Program:

- * – Appropriate action be taken to eliminate the deficit in net position at June 30, 2024 in the Preschool Program Enterprise Fund.
- * – Program salaries and employee benefits be properly charged to the Preschool Program Enterprise Fund during the year.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

There are none.

X. Testing for Lead of all Drinking Water in Educational Facilities

There are none.


XI. Status of Prior Years' Audit Findings/Recommendations

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

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


Jeffrey C. Bliss
Public School Accountant
Certified Public Accountant