

**ROSELLE PARK BOARD OF EDUCATION**

**AUDITOR'S MANAGEMENT REPORT**

**COUNTY OF UNION**

**JUNE 30, 2024**

**ROBERT A. HULSART & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
2807 HURLEY POND ROAD, SUITE 100  
WALL, NEW JERSEY 07719**

## **AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS**

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*Robert A. Hulsart and Company*  
CERTIFIED PUBLIC ACCOUNTANTS

1.

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**REPORT OF INDEPENDENT AUDITORS**

Honorable President and Members  
of the Board of Education  
Roselle Park 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 general-purpose financial statements of the Board of Education of the Roselle Park School District in the County of Union, for the year ended June 30, 2024, and have issued our report thereon dated January 10, 2025.

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 Roselle Park 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.

  
\_\_\_\_\_  
Licensed Public School Accountant  
No. 322  
ROBERT A. HULSART AND COMPANY

January 10, 2025

## **ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING**

### **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, 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 district's ACFR.

#### **Officials Bond**

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Amount</u></b>
Atila Sabahoglu	Board Secretary/School Business Administrator (to 10/17/2023)	25,000
Patricia Mawer	Board Secretary/School Business Administrator (from 11/27/2023)	25,000
Gregory S. Mayers	Treasurer	300,000

There is a Public Employees' Faithful Performance Blanket Position Bond with the New Jersey School Boards Association Insurance Group covering all other employees with multiple coverage of \$5,000.00 - \$25,000.00.

#### **Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made the proper adjustment in accordance with N.J.A.C. 6A:23-3.1(f) 3.

### **Financial Planning, Accounting and Reporting**

#### **Examination of Claims**

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

#### **Payroll Account/Payroll Agency**

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

All payrolls 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.

### **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.

### **Board Secretary's Records**

Our review of the financial and accounting records maintained by the Board Secretary disclosed no reportable conditions.

### **Treasurer's Records**

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

### **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, Title IIA, Title III and Title IV of the E.S.E.A.

The study of compliance for E.S.E.A. indicated the following areas of noncompliance and/or questionable costs.

### **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 that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved, with no exceptions noted.

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. Reimbursement**

Our audit procedures included a test of the biweekly reimbursement forms filed with Department of Education for district employees who are members of the Teachers Pension and Annuity Fund.

## **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 \$20,200 for 2023-24.

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 with the provision of *N.J.S.A. 18A:18A-4*.

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

### **School Food Service Fund**

The school food service program was not selected as a major Federal and/or State program. However, the program expenditures exceeded \$100,000 in Federal 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.

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 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 reviewed and audited. As a result of the uncertainties during the public health emergency there is no guaranteed operating result for 2023-2024 school year. 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 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 was completed and available for review.

### **School Food Service Fund (Continued)**

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. Pomptonian's 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.

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

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G.

### **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C.* 6A:23-2.2 (g) 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 specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C.* 6A:23A-2.4. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

### **Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2023 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, and low-income. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to 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 equivalents.

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 with no errors. 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.

**District Travel Policy**

The District maintained a log for all employees who were not under an existing contract in relation to travel expenditures; the log was examined and was in compliance with the administrative code.

**Follow-up on Prior Years' Findings**

Corrective action was taken on Finding 2023-1 regarding grant activity recording at year-end.

**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 staff.



**2% Calculation of Excess Surplus**

2023-24 Total General Fund Expenditures Per the ACFR	\$ 50,001,032
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Add: Transfer to Preschool (Fund 20)	<u>120,048</u>
	50,121,080

Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(9,739,823)</u>

Adjusted 2023-24 General Fund Expenditures	<u>\$ 40,381,257</u>
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2% of Adjusted 2023-24 General Fund Expenditures	\$ 807,625
Increased by Allowable Adjustments	<u>1,040,886</u>

Maximum Unassigned Fund Balance	<u>\$ 1,848,511</u>
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**Section 2**

Total General Fund – Fund Balance @ 6-30-24	\$ 19,553,027
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Decreased by:	
Reserved for Encumbrances	(4,877,624)
Designated for Subsequent Years Expenditures – Excess Surplus	(2,040,038)
Designated for Subsequent Years Expenditures – BOE	(645,587)
Designated for Subsequent Years Expenditures – Capital Reserve	(3,800,000)
Reserve for Unemployment	(88,801)
Other Reserves	<u>(3,552,466)</u>

Total Unassigned Fund Balance	<u>\$ 4,548,511</u>
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Excess Surplus	<u>\$ 2,700,000</u>
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**Section 3**

Reserved Fund Balance – Excess Surplus	\$ 2,700,000
Designated for Subsequent Years Expenditures - Excess Surplus	<u>2,040,038</u>

	<u>\$ 4,740,038</u>
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**Detail of Allowable Adjustments**

Extraordinary Aid	<u>\$ 1,040,886</u>
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**Detail of Other Reserved Fund Balance**

Capital Reserve	\$ 1,238,594
Maintenance Reserve	<u>2,313,872</u>

	<u>\$ 3,552,466</u>
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**ROSELLE PARK SCHOOL DISTRICT**

**APPLICATION FOR STATE SCHOOL AID SUMMARY**

**ENROLLMENT AS OF OCTOBER 15, 2023**

Sheet 1 of 3

	2024-2025 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported On		Reported on		Errors		Sample Selected		Verified Per		Errors Per Registers		Reported On	Sample for Verification	Sample Verified	Sample Errors
	A.S.S.A. on Roll		Workpapers on Roll				from Workpapers		Registers on Roll		on Roll		A.S.S.A. as			
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private Schools			
Full Day Preschool 3 Yrs.	15		15				7		7							
Full Day Preschool 4 Yrs.	62		62				16		16							
Full Day Kindergarten	115		115				37		37							
One	127		127				43		43							
Two	129		129				46		46							
Three	116		116				54		54							
Four	108		108				45		45							
Five	108		108				43		43							
Six	116		116				116		116							
Seven	123		123				123		123							
Eight	131		131				131		131							
Nine	129		129				129		129							
Ten	115	6	115	6			115	6	115	6						
Eleven	136	5	136	5			136	5	136	5						
Twelve	132	7	132	7			132	7	132	7						
Subtotal	1662	18	1662	18	0	0	1173	18	1173	18	0	0	0	0	0	0
Special Ed. - Elementary	150		150				66		66				3	3	3	
Special Ed. - Middle School	75		75				75		75				5	5	5	
Special Ed. - High School	98	9	98	9			98	9	98	9			4	4	4	
Subtotal	323	9	323	9	0	0	239	9	239	9	0	0	12	12	12	0
Co. Voc. - Regular																
Co. Voc. - Ft. Post Sec.																
Totals	1985	27	1985	27	0	0	1412	27	1412	27	0	0	12	12	12	0
Percentage Error					0%	0%					0%	0%				0%

**ROSELLE PARK SCHOOL DISTRICT**

Sheet 2 of 3

**APPLICATION FOR STATE SCHOOL AID SUMMARY**

**ENROLLMENT AS OF OCTOBER 15, 2023**

	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 as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Full Day Preschool	29	29		16	16							
Full Day Kindergarten	49	49		27	27		16	16		14	14	
One	62	62		14	14		19	19		10	10	
Two	49	49		18	18		19	19		15	15	
Three	52	52		11	11		20	20		11	11	
Four	45	45		9	9		8	8		6	6	
Five	51	51		13	13		12	12		5	5	
Six	55	55		8	8		4	4		2	2	
Seven	58	58		15	15		3	3		1	1	
Eight	63	63		13	13		7	7		4	4	
Nine	70	70		12	12		6	6		3	3	
Ten	54	54		11	11		8	8		2	2	
Eleven	70	70		15	15		8	8		2	2	
Twelve	49.5	49.5		8	8		5	5		1	1	
Subtotal	756.5	756.5	0	190	190	0	135	135	0	76	76	0
Special Ed. - Elementary	70	70		21	21		18	18		9	9	
Special Ed. - Middle School	41	41		9	9		6	6		3	3	
Special Ed. - High School	55.5	55.5		12	12		1	1		1	1	
Subtotal	166.5	166.5	0	42	42	0	25	25	0	13	13	0
Totals	923	923	0	232	232	0	160	160	0	89	89	0
Percentage Error			0%			0%			0%			0%

Transportation							
Reported on DRTS by DOE/County	Reported on DRTS by District	Errors	Tested	Verified	Errors	Reported	Recalculated
Reg. - Public Schools, col. 1	136		93	93		Reg. Avg. (Mileage) = Regular Including Grade PK Students (Part A)	8.1
Reg. Special Education, col. 4	2		2	2		Ref. Avg. (Mileage) = Regular Excluding Grade PK Students (Part B)	8.1
Transported - Non-Public, col. 3						Spec. Avg. = Special Ed. With Special Needs	8.5
Special Education Spec., col. 6	17		17	17			
Totals	155	0	112	112	0		
Percentage Error		0%			0%		

ROSELLE PARK SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2023

Sheet 3 of 3

	<u>Resident LEP Not Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on ASSA as LEP Not Low Income</u>	<u>Reported on Workpapers as LEP Not Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Full Day Kindergarten	9	9		7	7	
One	6	6		5	5	
Two	8	8		4	4	
Three	5	5		3	3	
Four	3	3		1	1	
Five						
Six	2	2		1	1	
Seven	2	2		1	1	
Eight	1	1		1	1	
Nine	2	2		2	2	
Ten	2	2		2	2	
Eleven	3	3		2	2	
Twelve	2	2		1	1	
Subtotal	<u>45</u>	<u>45</u>	<u>0</u>	<u>30</u>	<u>30</u>	<u>0</u>
Special Ed. - Elementary	6	6		2	2	
Special Ed. - Middle School						
Special Ed. - High School						
Subtotal	<u>6</u>	<u>6</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>0</u>
Totals	<u>51</u>	<u>51</u>	<u>0</u>	<u>32</u>	<u>32</u>	<u>0</u>
Percentage Error			<u>0%</u>			<u>0%</u>

SCHEDULE OF MEAL COUNT ACTIVITYROSELLE PARK SCHOOL DISTRICTFOOD SERVICE FUNDNUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERALENTERPRISE FUNDFOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
National School Lunch (Regular Rate)*	Paid	93,184	61,294	61,294	-	\$ 0.46	-
	Reduced	22,602	14,892	14,892	-	3.92	-
	Free	86,599	56,535	56,535	-	4.32	-
National School Lunch (NJEIE)	NJEIE	<u>2,753</u>	<u>1,871</u>	<u>1,871</u>	<u>-</u>	3.85	<u>-</u>
Total Net Overclaim		<u>205,138</u>	<u>134,592</u>	<u>134,592</u>	<u>-</u>		<u>-</u>
Breakfast Program (Severe Needs Rate)	Paid	7,745	5,063	5,063	-	\$ 0.38	-
	Reduced	3,318	2,114	2,114	-	2.43	-
	Free	13,390	8,418	8,418	-	2.73	-
Breakfast Program (NJEIE)	NJEIE	<u>284</u>	<u>194</u>	<u>194</u>	<u>-</u>	2.35	<u>-</u>
Total Net Overclaim		<u>24,737</u>	<u>15,789</u>	<u>15,789</u>	<u>-</u>		<u>-</u>

\* - \$.08 for Federal PB Lunch - Healthy Hunger-Free Kids Act

ROSELLE PARK SCHOOL DISTRICTNET CASH RESOURCE SCHEDULENET CASH RESOURCES DID NOT EXCEED 3 MONTHS OF EXPENDITURESPROPRIETARY FUNDS - FOOD SERVICEFOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Net Cash Resources:</u>		<u>Food Service</u> <u>G - 1/2</u>	
ACFR	<b>Current Assets</b>		
G-1	Cash & Cash Equivalents	\$	186,867
G-1	Accounts Receivables		81,031
	<b>Current Liabilities</b>		
G-1	Less Accounts Payable		<u>(11,358)</u>
	<b>Net Cash Resources</b>	\$	<u>256,540 (A)</u>
 <u>Net Adjustment Total Operating Expense:</u>			
G-2	Total Operating Expenses		1,359,747
G-2	Less Depreciation		<u>(147)</u>
	Adjusted Total Operating Expenses		<u>1,359,600 (B)</u>
 <u>Average Monthly Operating Expense:</u>			
	B / 10	\$	<u>135,960 (C)</u>
 <u>Three Times Monthly Average</u>			
	3 X C	\$	<u>407,880 (D)</u>
	Total in (A)	\$	256,540
	Less Total in (D)		<u>(407,880)</u>
	Net	\$	<u>(151,340)</u>

**ROSELLE PARK SCHOOL DISTRICT**  
**AUDIT RECOMMENDATIONS SUMMARY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

The prior year finding on grant activity recording was corrected.