

**WESTWOOD REGIONAL SCHOOL DISTRICT
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2024**

**WESTWOOD REGIONAL SCHOOL DISTRICT
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and Members
of the Board Trustees
Westwood Regional School District
Washington Township, 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 Westwood Regional School District as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated January 15, 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 Trustees, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 15, 2025

**WESTWOOD REGIONAL SCHOOL DISTRICT
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, 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 contained in the District's Annual Comprehensive Financial Report (the "ACFR").

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Keith Rosado	School Business Administrator/ Board Secretary	\$100,000
Andrea Wasserman	Treasurer of School Monies	350,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$250,000.

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 included all health benefit plans offered by the District, was completed by the Chief School Administrator and was submitted timely.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review indicated that the required signatures, certifications and supporting documentation were obtained on the respective purchase orders and/or vouchers.

Payroll Account

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

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

**WESTWOOD REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholdings.

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.

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.

Travel

The District had an approved board travel policy as required by N.J.A.C. 6A:23A-6.13 and N.J.S.A. 18A:11-12.

Payments made to employees for a travel event were in accordance with the approved travel policy.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3.

Board Secretary's Records

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

Acknowledgment of the Board's receipt of the Board Secretary and Treasurer's monthly financial reports was included in the minutes.

The prescribed contractual order system was followed. Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

Finding 2024-1 – Our audit indicated that the appropriation of capital reserve funds for the local share of school facilities projects was not included on the proper budget account line item in accordance with the Uniform Minimum Chart of Accounts for New Jersey School Districts issued by the State Department of Education.

Recommendation – The appropriation of capital reserve for the local share of school facilities projects be included on the appropriate line item in the District's budget in accordance with the State of New Jersey Uniform Minimum Chart of Accounts for School Districts.

**WESTWOOD REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Financial Planning, Accounting and Reporting (Continued)

Treasurer's Records

The Treasurer performed cash reconciliations in accordance with N.J.S.A. 18A:17-9.

All cash receipts were promptly deposited.

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

The E.S.E.A. financial exhibits are contained within the Special Revenue section of the ACFR. This section of the ACFR documents the financial position pertaining to projects under Title I, Title II, Title III and Title IV of the Elementary and Secondary Education Act as amended.

Our examination 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 Exhibit K-4 located in the ACFR.

Our examination indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits contained herein represent a true statement of 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 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 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.

Non Public State Aid

Project completion reports were finalized and transmitted to the State by the due date.

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 \$20,200. The Board has designated the School Business Administrator as the qualified purchasing agent.

**WESTWOOD REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

School Purchasing Programs (Continued)

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Board Attorney's opinion should be 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.

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.

School Food Service

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

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 School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims.

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.

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

Exhibits reflecting Child Nutrition Program operations are included in the section of the ACFR entitled Enterprise Funds.

Finding -Our audit indicated that the net cash resources of the food service enterprise fund exceeded three month's average expenditures. The District has developed and begun implementation of a plan to reduce the net cash resources. As a significant reduction was made from the previous year, no audit recommendation is warranted for the current year.

**WESTWOOD REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Summer Enrichment Program

The financial transactions and records of the Summer Enrichment Program were maintained in satisfactory condition.

The district has a formal Board policy establishing uniform accounting policies and procedures for the district's student activity funds.

Student Activity Accounts / Scholarship Accounts

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

Cash receipts and disbursements records for all schools were maintained in satisfactory condition.

Application for State School Aid

Our 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, bilingual students 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 with isolated exceptions. 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 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 2022-23 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.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreement for consistence 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.

Finding 2024-2 – Our audit indicated that capital asset acquisitions made from the food service fund were included with general fixed assets on the District's appraisal report.

Recommendation – Equipment acquisitions related to the food service program be properly reported in the District's capital asset appraisal report.

**WESTWOOD REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Miscellaneous

Testing for Lead of All Drinking Water in Educational Facilities

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

Follow-up on Prior Year Findings

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

**WESTWOOD REGIONAL SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOT APPLICABLE

**WESTWOOD REGIONAL SCHOOL DISTRICT
FOOD SERVICE FUND
NET CASH RESOURCES SCHEDULE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NET CASH RESOURCES SCHEDULE

Net Cash Resources

Current Assets

Cash and Cash Equivalents	\$	538,423
Accounts Receivable		27,048
Intergovernmental Accounts Receivable		43,562

Current Liabilities

Accounts Payable		(87,492)
Unearned Revenue		(35,947)

Net Cash Resources	\$	485,594 (A)
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Operating Expenditures

Total Operating Expenditures		1,596,879
Less Depreciation		(24,835)
Adjusted Total Operating Expenditures	\$	1,572,044 (B)

Average Monthly Operating Expense:

B / 10	\$	157,204 (C)
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Three times monthly Average:

C x 3	\$	471,613 (D)
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TOTAL IN BOX A	\$	485,594
LESS TOTAL IN BOX D	\$	471,613
NET EXCESS	\$	13,981

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

01

2024-2025 Application for State School Aid																		
	On Roll						Sample for Verification						Private Schools for Disabled			Sample for Verification		
	Reported on A.S.S.A.		Reported on Workpapers		Errors		Sample Selected		Sample Verified		Errors		Reported on A.S.S.A.	Reported on Workpapers	Errors	Sample Selected	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared						
Half Day Preschool 3 Years Old	11		11				11		11									
Full Day Preschool 3 Years Old																		
Half Day Preschool 4 Years Old	18		18				18		18									
Full Day Preschool 4 Years Old																		
Half Day Kindergarten																		
Full Day Kindergarten	202		202				39		39									
Grade 1	198		198				51		51									
Grade 2	204		204				58		58									
Grade 3	180		180				52		52									
Grade 4	160		160				32		32									
Grade 5	163		163				34		34									
Grade 6	185		185				185		185									
Grade 7	194		194				194		194									
Grade 8	177		177				177		177									
Grade 9	155	3	155	3			155	3	155	3								
Grade 10	164	1	164	1			164	1	164	1								
Grade 11	157		157				157		157									
Grade 12	165	1	165	1			165	1	165	1								
Post- Graduate																		
Adult High School (15+ Credits)					-	-					-	-			-		-	
Adult High School (1-14 Credits)																		
Subtotal	2,333	5	2,333	5	-	-	1,492	5	1,492	5	-	-	-	-	-	-	-	-
Sp Ed - Elementary	185		185				42		42				3	3		1	1	
Sp Ed - Middle School	128		128				128		128				4	4		2	2	
Sp Ed - High School	137	4	137	4	-	-	137	4	137	4	-	-	9	9	-	2	2	-
Subtotal	450	4	450	4	-	-	307	4	307	4	-	-	16	16	-	5	5	-
County Vocational - Regular																		
County Vocational - F.T. Post-Second																		
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	2,783	9	2,783	9	-	-	1,799	9.00	1,799	9	-	-	16	16	-	5	5	-
Percentage Error					0.00%	0.00%					0.00%	0.00%						0.00%

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

	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A.	Reported on Workpapers	Errors	Sample Selected	Sample Verified	Errors	Reported on A.S.S.A.	Reported on Workpapers	Errors	Sample Selected	Sample Verified	Errors
Half Day Preschool 3 Years Old												
Full Day Preschool 3 Years Old												
Half Day Preschool 4 Years Old												
Full Day Preschool 4 Years Old												
Half Day Kindergarten												
Full Day Kindergarten	9	9		2	2							
Grade 1	17	17		4	4		7	7		1	1	
Grade 2	18	18		3	3		6	6		1	1	
Grade 3	10	10		2	2		2	2		1	1	
Grade 4	13	13		3	3		2	2		1	1	
Grade 5	24	24		5	5		2	2		1	1	
Grade 6	19	19		4	3	1						
Grade 7	18	18		4	4		3	3		1	1	
Grade 8	19	19		3	2	1	1	1		1	1	
Grade 9	20	20		4	4		2	2		1	1	
Grade 10	16	16		3	3							
Grade 11	23	23		5	5		3	3		1	1	
Grade 12	18	18		4	4							
Post- Graduate												
Adult High School (15+ Credits)												
Adult High School (1-14 Credits)												
Subtotal	224	224	-	46	44	2	28	28	-	9	9	-
Sp Ed - Elementary	19	19	-	4	3	1	6	6		1	1	
Sp Ed - Middle School	23	23	-	5	5		2	2		1	1	
Sp Ed - High School	17	17	-	4	4		1	1				
Subtotal	59	59	-	13	12	1	9	9	-	2	2	-
Res. Mental Health Ctr.				-	-							
Subtotal	-	-	-									
Totals	283	283	-	59	56	3	37	37	-	11	11	-
Percentage Error			0.00%			5.08%			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	248	248		42	42	
Transported - Non Public	7	7		1		1
Regular - Special Ed	69	69		11	11	
Special Needs	45	45	-	7	7	-
	369	369	-	61	60	1
Percentage Error			0.0%			1.6%

**WESTWOOD 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 ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application and Register	Errors
Half Day Preschool 3 Years Old						
Full Day Preschool 3 Years Old						
Half Day Preschool 4 Years Old						
Full Day Preschool 4 Years Old						
Half Day Kindergarten						
Full Day Kindergarten	9	9		5	5	
Grade 1	6	6		3	3	
Grade 2	7	7		4	4	
Grade 3	4	4		2	2	
Grade 4	1	1		1	1	
Grade 5	1	1		1	1	
Grade 6	1	1		1	1	
Grade 7	1	1		1	1	
12 Grade 8	3	3		2	2	
Grade 9						
Grade 10						
Grade 11						
Grade 12						
Post- Graduate						
Adult High School (15+ Credits)						
Adult High School (1-14 Credits)			-			
Subtotal	33	33	-	20	20	-
Sp Ed - Elementary	5	5		2	2	
Sp Ed - Middle School						
Sp Ed - High School	-	-	-	-	-	-
Subtotal	5	5	-	2	2	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal						
Totals	38	38	-	22	22	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**WESTWOOD REGIONAL SCHOOL DISTRICT
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**REGULAR DISTRICT
Section 1**

Two Percent (2%) - Calculation of Excess Surplus

2023-2024 Total General Fund Expenditures per the ACFR \$ 77,538,074

Increased by:

Transfer from Capital Reserve to Capital Projects Fund \$ 8,507,756

Transfer from Capital Reserve to Debt Service Fund 327,812

8,835,568

86,373,642

Decreased by:

On-Behalf TPAF Pension & Social Security 14,424,582

Adjusted 2023-2024 General Fund Expenditures \$ 71,949,060

2% of Adjusted 2023-2024 General Fund Expenditures \$ 1,438,981

Increased by Allowable Adjustments * 972,682

Maximum Unassigned Fund Balance \$ 2,411,663

SECTION 2

Total General Fund - Fund Balance at June 30, 2024 \$ 26,349,223

Decreased by:

Restricted Fund Balance - Capital Reserve \$ 12,581,264

Restricted Fund Balance - Maintenance Reserve 2,279,551

Restricted Fund Balance - Emergency Reserve 394,195

Restricted- Excess Surplus- Designated for Subsequent Year's Expenditures 1,500,000

Unemployment Compensation Reserve 721,855

Year End Encumbrances - Assigned and Committed 2,953,666

Assigned Fund Balance - Designated for Subsequent Year's Expenditures 2,507,029

22,937,560

Total Unassigned Fund Balance \$ 3,411,663

SECTION 3

Fund Balance - Excess Surplus \$ 1,000,000

Recapitalutation of Excess Surplus at June 30, 2024

Reserved Excess Surplus- Designated for Subsequent Year's Expenditures \$ 1,500,000

Reserved Excess Surplus 1,000,000

Total Excess Surplus \$ 2,500,000

*Detail of Allowable Adjustment

Extraordinary Aid \$ 916,717

Nonpublic Transportation Reimbursement 55,965

\$ 972,682

**WESTWOOD REGIONAL SCHOOL DISTRICT
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

1. It is recommended that the appropriation of capital reserve for the local share of school facilities projects be included on the appropriate line item in the District's budget in accordance with the State of New Jersey Uniform Minimum Chart of Accounts for School Districts.

III. School Purchasing Program

There are none.

IV. School Food Service

There are none.

V. Student Body Activities

There are none.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

2. It is recommended that equipment acquisitions related to the food service program be properly reported in the District's capital asset appraisal report.

IX. Miscellaneous

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

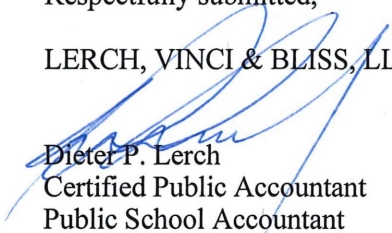
A review was performed on all prior years' recommendations and corrective action was taken on all.

ACKNOWLEDGEMENT

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

Respectfully submitted,

LERCH, VINCI & BLISS, LLP



Dieter P. Lerch
Certified Public Accountant
Public School Accountant