

**SADDLE BROOK BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL COMPLIANCE AND PERFORMANCE
JUNE 30, 2023**

**SADDLE BROOK BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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INDEPENDENT AUDITOR’S MANAGEMENT REPORT

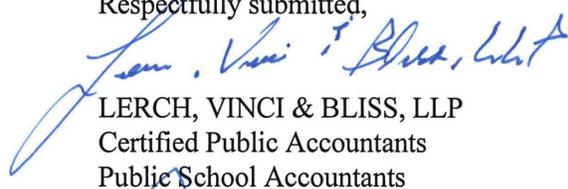
Honorable President and Members
of the Board of Trustees
Saddle Brook Board of Education
Saddle Brook, New Jersey

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 Saddle Brook Board of Education as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated February 15, 2024.

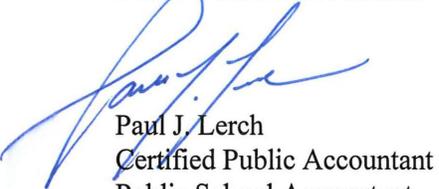
As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

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



Paul J. Lerch
Certified Public Accountant
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
February 15, 2024

**SADDLE BROOK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 ("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>
Raymond Karaty, CPA, PSA	Board Secretary/School Business Administrator	\$ 275,000
Peter Bellani, CPA	Treasurer of School Monies	\$ 275,000

There is an Employees' Dishonesty Faithful Performance coverage with Selective Insurance Company of America, covering all other employees with multiple coverage of \$400,000.

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 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.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment to the billings to sending districts for the adjustment in per pupil costs in accordance with N.J.A.C. 6A:23-3.1(f)3.

**SADDLE BROOK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, certifications 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 fringe benefits were deposited in the Payroll Agency Account.

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

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

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.

The District maintained an employee position control roster.

Travel

The District has adopted a policy regulating district travel.

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. 6:20-2A.2(m) 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:23-8.2. As a result of the procedures performed, there were no errors.

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.

**SADDLE BROOK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Planning, Accounting and Reporting (Continued)

Reserve for Encumbrances and Accounts Payable- Continued

Finding 2023-01 – Our audit revealed that a contract awarded to Northeastern Interior Services for security upgrades was encumbered for an amount that was not in agreement with the contract award in the official minutes of the District; resulting in an over-stated encumbrance. The financial records have been modified to reflect the correct amount of the contract award at June 30th.

Recommendation 2023-01 – The District record contracts in the amount that was awarded in the official minutes of the District.

Board Secretary's Records

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

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

The Board Secretary's reports were presented monthly to the Board on a timely basis and were submitted to the executive county superintendent as prescribed by (N.J.S.A. 18A:17-9 and 18A:17-36).

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

The prescribed contractual order system was followed.

Finding 2023-02 – Our audit revealed that the District entered into a capital financing agreement with Truist Governmental Finance in the amount of \$700,000 for the acquisition of various capital equipment; the financial activity of this agreement was not recorded in the District's accounting records including the year-end balance of \$594,580. The financial records have been modified to reflect this capital financing agreement at June 30th.

Recommendation 2023-02 – The District record the financial activity for all capital financing agreements in their accounting records.

Treasurer's Records

The following items were noted during our review of the records of the Treasurer.

The Treasurer performed cash reconciliations for all District accounts in accordance with N.J.S.A. 18A:17-36.

The Treasurer's bank reconciliations were in agreement with the cash balances of the Board Secretary.

The Treasurer's cash balances were in agreement with the reconciled cash balances as determined during the audit.

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

Unemployment Compensation Insurance

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the General Fund as per GASB No. 84.

**SADDLE BROOK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Planning, Accounting and Reporting (Continued)

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

The E.S.E.A./IASA financial exhibits are contained within the Special Revenue Fund 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 Elementary and Secondary Education Act.

I.D.E.A. Part B and Preschool

Separate accounting was maintained for each approved project. Grant applications, approvals and acceptance of grant funds were made by Board resolution.

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 examination 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 reimbursements filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

TPAF 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 (or charter school or renaissance school project) to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district (or charter school or renaissance school project) for those employees whose salaries are identified as being paid from federal funds was made subsequent to the end of the 60 day grant liquidations period, but prior to 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 2023-03 – Our audit revealed that the District did not record the accounts payable to the State for the on-behalf TPAF/FICA payments made by the state for those employees whose salaries are being paid by federal funds from the ESSER III Grant. The financial records have been modified to reflect the accounts payable to the State at June 30th.

Recommendation 2023-03 – The District record the accounts payable to the State for the on-behalf TPAF/FICA payments made by the State for those employees whose salaries are being paid by federal funds.

**SADDLE BROOK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Planning, Accounting and Reporting (Continued)

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law".

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 are \$44,000 (with a qualified purchasing agent) and \$32,000 (without a qualified purchasing agent), respectively. The District has appointed Raymond Karaty as a qualifying purchasing agent. The law regulating bidding for public school student transportation contracts under NJSA 18A:39-3 is \$20,200 for 2022-23.

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 Solicitor'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 goods or service, 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 my examination indicated that certain individual payments, contracts, or agreements were 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 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.

Food Service Fund

SFA's 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 SFA's 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 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.

**SADDLE BROOK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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. 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.

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 includes an operating results provision which guarantees that the food service program will breakeven. The operating results provision has been met. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account.

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 Activity Fund and Athletic Account

The District had a policy and procedures in place for regulating the student activity funds.

Cash receipts and cash disbursements were maintained in good condition.

Finding 2023-04 – Our audit of the collections in the Student Activity accounts revealed that deposits are not being made in a timely manner.

Recommendation 2023-04 – The District deposit all student activity funds within 48 hours of receipt.

**SADDLE BROOK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private school for the handicapped, low-income, related services and bilingual education. 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 immaterial exceptions. The information that was included on the workpapers was verified with immaterial exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

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 exceptions. 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

Our procedures included a review of SDA grant agreement for consistency with recording SDA revenue, transfer of Local Funds from the General Fund or from the Capital Reserve Account, and awarding contracts for eligible facilities construction.

The District had no active SDA grant funded projects during the current year.

Miscellaneous

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 for Management

- The Payroll Agency account balance should be reviewed along with old outstanding reconciling items and any deficit balance should be funded.
- Old reconciling items on the districts bank reconciliations be reviewed and cleared up record.
- Old completed projects in the Capital Project Fund should be reviewed and cancelled.

**SADDLE BROOK BOARD OF EDUCATION
FOOD SERVICE FUND
SCHEDULE OF MEAL COUNT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOT APPLICABLE

**SADDLE BROOK BOARD OF EDUCATION
FOOD SERVICE FUND
SCHEDULE OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Current Assets

Cash & Cash Equiv.	\$ 185,418
Due from Other Gov'ts	14,118
Accounts Receivable	17,191

Current Liabilities

Less Accounts Payable	10,187
Less Deferred Revenue	<u>12,662</u>

Net Cash Resources	<u>\$ 193,878</u>	(A)
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Net Adj. Total Operating Expense:

Tot. Operating Exp.	\$ 953,325	
Less Depreciation	<u>(29,377)</u>	
Adj. Tot. Oper. Exp.	<u>\$ 923,948</u>	(B)

Average Monthly Operating Expense:

B / 10	<u>\$ 92,395</u>	(C)
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Three times monthly Average:

3 X C	<u>\$ 277,184</u>	(D)
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TOTAL IN BOX A	\$ 193,878
LESS TOTAL IN BOX D	\$ 277,184
NET	\$ (83,306)

From above:

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

**SADDLE BROOK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022
SCHEDULE OF AUDITED ENROLLMENTS**

	2022-23 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 Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool - 3yr	5		5		-	-	5		5		-	-				
Half Day Preschool - 4yr	16		16		-	-	16		16		-	-				
Full Day Preschool - 3yr	2		2		-	-	2		2		-	-				
Full Day Preschool - 4yr	5		5				5		5							
Half Day Kindegarten	-		-		-	-					-	-				
Full Day Kindegarten	113		113		-	-	33		33		-	-				
One	107		107		-	-	37		37		-	-				
Two	121		121		-	-	41		41		-	-				
Three	117		117		-	-	43		43		-	-				
Four	112		112		-	-	41		41		-	-				
Five	98		98		-	-	28		28		-	-				
Six	113		113		-	-	39		39		-	-				
Seven	97		97		-	-	97		95		2	-				
Eight	105		105		-	-	105		105		-	-				
Nine	112		112		-	-	112		112		-	-				
Ten	120	2	120	2	-	-	120	2	120	2	-	-				
Eleven	93	4	93	4	-	-	93	4	94	4	(1)	-				
Twelve	109	3	109	3	-	-	109	3	109	3	-	-				
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	1,445	9	1,445	9	-	-	926	9	925	9	1	-	-	-	-	-
Special Ed - Elementary	157		157		-	-	28		28		-	-	3	3	3	-
Special Ed - Middle School	82		82		-	-	14		14		-	-	3	3	3	-
Special Ed - High School	101	2	101	3	-	(1)	18		18		-	-	16	16	16	-
Subtotal	340	2	340	3	-	(1)	60	-	60	-	-	-	22	22	22	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	1,785	11	1,785	12	-	(1)	986	9	985	9	1	-	22	22	22	-
Percentage Error					0.00%	-9.09%					0.10%	0.00%				0.00%

**SADDLE BROOK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022
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	16.0	15.0	1.0	3.0	3.0	-						
One	26.0	26.0	-	4.0	4.0	-	1.0	1.0	-	1.0	1.0	-
Two	30.0	30.0	-	5.0	5.0	-	2.0	2.0	-	2.0	2.0	-
Three	30.0	30.0	-	5.0	5.0	-	1.0	1.0	-	1.0	1.0	-
Four	24.0	24.0	-	4.0	4.0	-	2.0	2.0	-	2.0	2.0	-
Five	23.0	24.0	(1.0)	4.0	4.0	-	-	-	-	-	-	-
Six	18.0	18.0	-	3.0	3.0	-	-	-	-	-	-	-
Seven	22.0	20.0	2.0	4.0	4.0	-	1.0	1.0	-	1.0	1.0	-
Eight	22.0	22.0	-	4.0	3.0	1.0	1.0	1.0	-	1.0	1.0	-
Nine	34.0	33.5	0.5	6.0	6.0	-	-	-	-	-	-	-
Ten	24.0	23.0	1.0	4.0	4.0	-	-	-	-	-	-	-
Eleven	9.5	9.0	0.5	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
Twelve	13.0	13.5	(0.5)	2.0	2.0	-						
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	291.5	288.0	3.5	50.0	49.0	1.0	9.0	9.0	-	9.0	9.0	-
Special Ed - Elementary	25.0	24.0	1.0	4.0	4.0	-	-	-	-	-	-	-
Special Ed - Middle	18.0	19.0	(1.0)	3.0	3.0	-	-	-	-	-	-	-
Special Ed - High	24.0	24.0	-	4.0	4.0	-	-	-	-	-	-	-
Subtotal	67.0	67.0	-	11.0	11.0	-	-	-	-	-	-	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	358.5	355.0	3.5	61.0	60.0	1.0	9.0	9.0	-	9.0	9.0	-
Percentage Error			0.98%			1.64%			0.00%			0.00%

Transportation

	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
	Reg. - Public Schools, col. 1	78.0	78.0	-	23.0	23.0
Reg -SpEd, col. 4	47.0	47.0	-	14.0	13.0	1.0
Transported - Non-Public, col. 3	20.0	20.0	-	6.0	6.0	-
Special Ed Spec, col. 6	34.0	34.0	-	10.0	5.0	5.0
Totals	179.0	179.0	-	53.0	47.0	6.0
Percentage Error					11.32%	

**SADDLE BROOK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022
SCHEDULE OF AUDITED ENROLLMENTS**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindegarten						
Full Day Kindergarten	8.0	8.0	-	8.0	8.0	-
One	10.0	10.0	-	10.0	10.0	-
Two	6.0	6.0	-	6.0	6.0	-
Three	5.0	5.0	-	5.0	5.0	-
Four	4.0	4.0	-	4.0	4.0	-
Five	3.0	2.0	1.0	2.0	2.0	-
Six	4.0	4.0	-	4.0	4.0	-
Seven	2.0	2.0	-	2.0	2.0	-
Eight	1.0	1.0	-	1.0	1.0	-
Nine	5.0	5.0	-	5.0	5.0	-
Ten	-	-	-	-	-	-
Eleven	5.0	5.0	-	5.0	5.0	-
Twelve	2.0	2.0	-	2.0	2.0	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>55.0</u>	<u>54.0</u>	<u>1.0</u>	<u>54.0</u>	<u>54.0</u>	<u>-</u>
Special Ed - Elementary	6.0	6.0	-	6.0	6.0	-
Special Ed - Middle	3.0	1.0	2.0	1.0	1.0	-
Special Ed - High	1.0		1.0			-
Subtotal	<u>10.0</u>	<u>7.0</u>	<u>3.0</u>	<u>7.0</u>	<u>7.0</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>65.0</u>	<u>61.0</u>	<u>4.0</u>	<u>61.0</u>	<u>61.0</u>	<u>-</u>
Percentage Error			<u>6.15%</u>			<u>0.00%</u>

**SADDLE BROOK BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

SECTION 1 - Regular District

2022-2023 Total General Fund Expenditures per the ACFR	\$	45,787,189
Decreased by:		
Assets Acquired by Capital Financing Agreements		190,145
On-Behalf TPAF Pension & Social Security		<u>7,699,262</u>
Adjusted 2022-2023 General Fund Expenditures	\$	<u>37,897,782</u>
2% of Adjusted 2022-2023 General Fund Expenditures	\$	757,956
Increased by: Allowable Adjustments - Extraordinary Aid & Nonpublic Transportation Aid		<u>391,057</u>

SECTION 2

Maximum Unreserved/Undesignated Fund Balance		<u>\$ 1,149,013</u>
Total General Fund - Fund Balance at June 30, 2023 (Per ACFR Budgetary Comparison Schedule/Statement)	\$	6,145,866
Decreased by:		
Year End Encumbrances	\$	730,262
Maintenance Reserve		1,141,778
Capital Reserve		2,701,763
Unemployment Compensation		<u>423,050</u>
		<u>4,996,853</u>
Total Unassigned Fund Balance	\$	<u>1,149,013</u>
Reserved Fund Balance - Excess Surplus	\$	<u>-</u>

SECTION 3

Recapitulation of Excess Surplus as of June 30, 2023

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

**SADDLE BROOK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

RECOMMENDATIONS

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

2023-01: It is recommended that the District record contracts in the amount that was awarded in the official minutes of the District.

- * **2023-02:** It is recommended that the District record the financial activity for all capital financing agreements in their accounting records.

2023-03: It is recommended that the District record the accounts payable to the State for the on-behalf TPAF/FICA payments made by the State for those employees whose salaries are being paid by federal funds.

III. School Purchasing Program

There are none.

IV. Food Service Fund

There are none.

V. Student Activity Fund and Athletic Account

2023-04: The District deposit all student activity funds within 48 hours of receipt.

VI. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

There are none.

X. Miscellaneous

There are none.

XI. Status of Prior Year Audit Findings/Recommendations

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

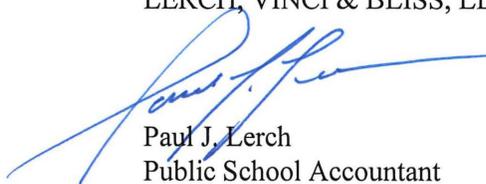
**SADDLE BROOK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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



Paul J. Lerch
Public School Accountant
Certified Public Accountant