

**HASBROUCK HEIGHTS SCHOOL DISTRICT
COUNTY OF BERGEN**

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

JUNE 30, 2018

**HASBROUCK HEIGHTS SCHOOL DISTRICT
COUNTY OF BERGEN
NEW JERSEY**

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

TABLE OF CONTENTS

	<u>PAGE</u>
Report of Independent Auditors	1
Scope of Audit.....	2
Administrative Practices and Procedures	
Insurance	2
Official Bonds	2
Tuition Charges.....	2
Financial Planning, Accounting and Reporting	
Examination of Claims	2
Payroll Account and Position Control Roster.....	2
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures.....	3
Board Secretary's Records	3
Elementary and Secondary Education Act (E.S.E.A) as amended by the Every Student	
Succeeds Act (ESSA)	
Other Special Federal and/or State Projects	3
TPAF Reimbursement.....	3
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	4
School Food Service	4
Miscellaneous	4
Student Body Activities and Athletic Funds	5
Application for State School Aid.....	5
Pupil Transportation	5
Facilities and Capital Assets	5
Follow-Up on Prior Years' Findings.....	5
Acknowledgement.....	5
Schedule of Audited Enrollments	6 - 7
Excess Surplus Calculation.....	9-11
Audit Recommendations Summary	12

Tax ID 22-6001969

INDEPENDENT AUDITORS' REPORT

**Honorable President and Members
of the Board of Education
Borough of Hasbrouck Heights School District
County of Bergen, New Jersey 07095**

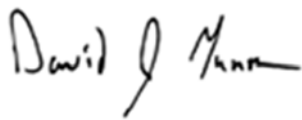
We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Borough of Hasbrouck Heights School District in the County of Bergen for the year ended June 30, 2018, and have issued our report thereon dated February 27, 2019.

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 Borough of Hasbrouck Heights 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.

PKF O'Connor Davies, LLP

Cranford, New Jersey
February 27, 2019



David J. Gannon, CPA, PSA
Licensed Public School Accountant #2305

HASBROUCK HEIGHTS SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, 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

Insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's CAFR.

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Dina Messery	Board Secretary	\$ 25,000
Robyn Scholz	Asst. to the Business Administrator	10,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made the proper adjustments to the billings to sending districts which properly reflected per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

Electronic Communications

The board has a policy concerning Electronic Communications between Employees and Students.

Financial Planning, Accounting and Reporting

Examination of Claims

The State purchase order system is fully operational in that purchase orders are issued for the financial transactions of the Board.

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

Payroll Account and Position Control Roster

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 approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrator, and the Chief School Administrator.

HASBROUCK HEIGHTS SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund, where applicable.

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

Our review of the payroll accounts did not reveal any exceptions.

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.

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. As a result of the procedures performed, no transaction error rate was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

The financial records, books of accounts and minutes maintained by the Secretary were in excellent condition.

The Treasurer's records were examined and were found to be in agreement with the records of the Secretary.

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

The E.S.E.A./NCLB financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Title I and VI of the Elementary and Secondary Education Act, as amended.

The study of compliance for E.S.E.A./NCLB indicated no instances 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 of this report.

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 contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

There were no areas of non-compliance and/or questioned costs.

TPAF Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Plan. No exceptions were noted.

HASBROUCK HEIGHTS SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

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 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.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2015 and thereafter, the bid thresholds in accordance with *N.J.S.A. 18A:18A-2 and 18a:18A3(a)* are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (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 \$19,000.

The 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.

The results of our examination indicated that no 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 there had been no advertising for bids in accordance with the provisions of *N.J.S.A.8A:18A-4*.

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

School Food Service

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.

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.

Miscellaneous

Testing for Lead of All Drinking Water in Educational Facilities

The school district adhered to all the 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.

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)

HASBROUCK HEIGHTS SCHOOL DISTRICT

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

Student Activity and Athletic Funds

A cash receipts and disbursements records were maintained in very good condition.

All receipts appear to be promptly deposited in the bank.

Payment authorizations, invoices and other supporting data were presented and available for audit.

Application for State School Aid

Our audit procedures included a test of the information reported in the October 13, 2017, Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, 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 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 equivalent.

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

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2017-2018 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

Our procedures include a review of the 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. Based on our review, the District complied with these procedures.

Follow-Up on Prior Year's Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action has been taken on the prior year finding.

Acknowledgement

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

HASBROUCK HEIGHTS SCHOOL DISTRICT

SCHEDULE OF AUDITED ENROLLMENTS

**APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017**

	2018-2019 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																	
Full Day Preschool	-		-		-		-		-		-						
Half Day Kindergarten	-		-		-		-		-		-						
Full Day Kindergarten	91.0		91.0		-		14.0		14.0		-						
One	95.0		95.0		-		15.0		15.0		-						
Two	110.0		110.0		-		17.0		17.0		-						
Three	110.0		110.0		-		17.0		17.0		-						
Four	119.0		119.0		-		18.0		18.0		-						
Five	128.0		128.0		-		20.0		20.0		-						
Six	143.0		143.0		-		22.0		22.0		-						
Seven	141.0		141.0		-		22.0		22.0		-						
Eight	128.0		128.0		-		20.0		20.0		-						
Nine	117.0	1.0	117.0	1.0	-		18.0		18.0		-						
Ten	117.0		117.0		-		18.0		18.0		-						
Eleven	121.0		121.0		-		19.0		19.0		-						
Twelve	122.0		122.0		-		19.0		19.0		-						
Post-Graduate																	
Adult H.S. (15+CR.)																	
Adult H.S. (1-14 CR.)																	
Subtotal	1,542.0	1.0	1,542.0	1.0	-		239.0	-	239.0	-	-	-	-	-	-	-	-
Special Ed - Elementary	90.0		90.0		-		14.0		14.0		-		2.0	2.0	2.0	-	
Special Ed - Middle School	77.0		77.0		-		12.0		12.0		-		1.0	1.0	1.0	-	
Special Ed - High School	87.0		87.0		-		14.0		14.0		-		3.0	3.0	3.0	-	
Subtotal	254.0	-	254.0	-	-		40.0	-	40.0	-	-	-	6.0	6.0	6.0	-	
Co. Voc. - Regular																	
Co. Voc. Ft. Post Sec.																	
Totals	1,796.0	1.0	1,796.0	1.0	-		279.0	-	279.0	-	-	-	6.0	6.0	6.0	-	
Percentage Error					0.00%	0.00%					0.00%	0.00%					0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**HASBROUCK HEIGHTS SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	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	19.0	19.0	-	12.0	12.0	-	2.0	2.0	-	1.0	1.0	-
One	7.0	7.0	-	5.0	5.0	-	4.0	4.0	-	4.0	4.0	-
Two	9.0	9.0	-	7.0	7.0	-	1.0	1.0	-	1.0	1.0	-
Three	10.0	10.0	-	7.0	7.0	-	1.0	1.0	-	1.0	1.0	-
Four	15.0	15.0	-	11.0	11.0	-	1.0	1.0	-	1.0	1.0	-
Five	19.0	19.0	-	13.0	13.0	-	0.0	0.0	-	0.0	0.0	-
Six	21.0	21.0	-	14.0	14.0	-	1.0	1.0	-	1.0	1.0	-
Seven	17.0	17.0	-	11.0	11.0	-	2.0	2.0	-	1.0	1.0	-
Eight	19.0	19.0	-	13.0	13.0	-	0.0	0.0	-	0.0	0.0	-
Nine	22.0	22.0	-	15.0	15.0	-	4.0	4.0	-	3.0	3.0	-
Ten	17.0	17.0	-	11.0	11.0	-	1.0	1.0	-	1.0	1.0	-
Eleven	11.0	11.0	-	7.0	7.0	-	2.0	2.0	-	2.0	2.0	-
Twelve	15.0	15.0	-	11.0	11.0	-	1.0	1.0	-	1.0	1.0	-
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	<u>201.0</u>	<u>201.0</u>	<u>-</u>	<u>137.0</u>	<u>137.0</u>	<u>-</u>	<u>20.0</u>	<u>20.0</u>	<u>-</u>	<u>17.0</u>	<u>17.0</u>	<u>-</u>
Special Ed - Elementary	17.0	17.0	-	-	-	-	0.0	0.0	0.0	0.0	0.0	-
Special Ed - Middle	10.0	10.0	-	-	-	-	0.0	0.0	0.0	0.0	0.0	-
Special Ed - High	12.0	12.0	-	-	-	-	0.0	0.0	0.0	0.0	0.0	-
Subtotal	<u>39.0</u>	<u>39.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	<u>240.0</u>	<u>240.0</u>	<u>-</u>	<u>137.0</u>	<u>137.0</u>	<u>-</u>	<u>20.0</u>	<u>20.0</u>	<u>-</u>	<u>17.0</u>	<u>17.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	<u>Transportation</u>					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Difference	Tested	Verified	Errors
Reg. - Public Schools	38.0	38.0	-	29.0	29.0	-
Reg -SpEd	-	-	-	-	-	-
Transported - Non-Public	-	-	-	-	-	-
AIL - Non-Public	-	-	-	-	-	-
Special Ed Spec	<u>45.0</u>	<u>45.0</u>	<u>-</u>	<u>34.0</u>	<u>34.0</u>	<u>-</u>
Totals	<u>83.0</u>	<u>83.0</u>	<u>-</u>	<u>63.0</u>	<u>63.0</u>	<u>-</u>
Percentage Error					<u>0.00%</u>	

	Reported	Recalculated
Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)	4.3	4.3
Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B)	4.3	4.3
Spec Avg. = Special Ed with Special Needs	7.9	7.9

SCHEDULE OF AUDITED ENROLLMENTS

HASBROUCK HEIGHTS BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	<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 Kindergarten						
Full Day Kindergarten	5.0	5.0	-	4.0	4.0	-
One	4.0	4.0	-	1.0	1.0	-
Two	2.0	2.0	-	0.0	0.0	-
Three	0.0	0.0	-	0.0	0.0	-
Four	0.0	0.0	-	0.0	0.0	-
Five	3.0	3.0	-	0.0	0.0	-
Six	0.0	0.0	-	0.0	0.0	-
Seven	5.0	5.0	-	0.0	0.0	-
Eight	1.0	1.0	-	0.0	0.0	-
Nine	2.0	2.0	-	2.0	2.0	-
Ten	4.0	4.0	-	3.0	3.0	-
Eleven	5.0	5.0	-	4.0	4.0	-
Twelve	3.0	3.0	-	2.0	2.0	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>34.0</u>	<u>34.0</u>	<u>-</u>	<u>16.0</u>	<u>16.0</u>	<u>-</u>
Special Ed - Elementary	1.0	1.0		0.0	0.0	
Special Ed - Middle	0.0	0.0		0.0	0.0	
Special Ed - High	1.0	1.0		0.0	0.0	
Subtotal	<u>2.0</u>	<u>2.0</u>	<u>-</u>	<u>0.0</u>	<u>0.0</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>36.0</u>	<u>36.0</u>	<u>-</u>	<u>16.0</u>	<u>16.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

HASBROUCK HEIGHTS SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

June 30, 2018

SECTION 1 - Regular District

B. 2% Calculation of Excess Surplus

2017-18 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ 33,945,751	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ _____	- (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____	- (B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ _____	- (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ _____	- (B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ 4,127,592	(B2a)
Assets Acquired Under Capital Leases	\$ 657,917	(B2b)
Adjusted 2017-18 General Fund Expenditures [(B) + (B1s) - (B2s)]	<u>\$ 29,160,242</u>	(B3)
2% of Adjusted 2017-18 General Fund Expenditures [(B3) times .02]	<u>\$ 583,205</u>	(B4)
Enter Greater of (B4) or \$250,000	<u>\$ 583,205</u>	(B5)
Increased by: Allowable Adjustment*	\$ _____	- (K)
Maximum Unreserved/Undesignated Fund Balance [(B5) + (K)]	<u>\$ 583,205</u>	(M)

SECTION 2

Total General Fund - Fund Balances at 6-30-2018 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 3,547,800	(C)
Decreased by:		
Year-end Encumbrances	\$ 597,807	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____	- (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ _____	- (C3)
Other Restricted Fund Balances****	\$ 2,243,510	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ 200,000	(C5)
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures - July 1, 2018 - August 1, 2018	\$ _____	- (C6) *****
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	<u>\$ 506,483</u>	(U1)

HASBROUCK HEIGHTS SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

June 30, 2018

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$ _____	- (E)
--	----------	-------

Recapitulation of Excess Surplus as of June 30, 2018

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ _____	- (C3)
Reserved Excess Surplus *** [(E)]	\$ _____	- (E)
 Total Excess Surplus [(C3)+(E)]	 \$ _____	 - (D)

Footnotes:

Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

- (H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2017 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve – General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
- (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
- (J1) Extraordinary Aid;
- (J2) Additional Nonpublic School Transportation Aid;
- (J3) Recognized current year School Bus Advertising Revenue; and
- (J4) Family Crisis Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____	- (H)
Sales & Lease-back	\$ _____	- (I)
Extraordinary Aid		(J1)
Additional Nonpublic School Transportation Aid	\$ _____	- (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	- (J3)
Family Crisis Transportation Aid	\$ _____	- (J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ _____	 - (K)

HASBROUCK HEIGHTS SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

June 30, 2018

- ** This amount represents the June 30, 2018 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031.
- *** Amount must agree to the June 30, 2018 CAFR and the sum of the two lines must agree to Audit Summary Line 90030.
- **** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by any other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Office of School Finance prior to September 30.
- ***** Increase in Assigned Fund Balance - Unreserved - Designated for Subsequent Year's expenditures July 1, 2018 to August 1, 2018 resulting from decrease in state aid after adoption of the 2018-19 district budget. Refer to Commissioner's Broadcast and to page I-4.2 of the Audit Program.

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$	-
Sale/lease-back reserve	\$	-
Capital reserve	\$	1,459,006
Maintenance reserve	\$	784,504
Emergency reserve	\$	-
Waiver offset reserve - Designated for subsequent year	\$	-
Tuition reserve	\$	-
School Bus Advertising 50% Fuel Offset Reserve - current year	\$	-
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$	-
Impact Aid General Fund Reserve	\$	-
Impact Aid Capital Fund Reserve	\$	-
Other state/government mandated reserve	\$	-
[Other Restricted Fund Balance not noted above]****	\$	-
 Total Other Restricted Fund Balance	 \$	 2,243,510 (C4)

HASBROUCK HEIGHTS SCHOOL DISTRICT
COUNTY OF BERGEN

RECOMMENDATIONS

JUNE 30, 2018

I. **Administration Practices and Procedures**

There are none.

II. **Financial Planning, Accounting and Reporting**

There are none.

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**

There are none.

IX. **Miscellaneous**

There are none.

X. **Status of Prior Year Audit Findings/Recommendations**

In accordance with *Government Auditing Standards*, our procedures included a review of the prior year recommendations; corrective action has been taken on prior year recommendations.