

**BERGENFIELD BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL COMPLIANCE AND PERFORMANCE
JUNE 30, 2019**

**BERGENFIELD BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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AUDITOR'S MANAGEMENT REPORT

Honorable President and Members
of the Board of Education
Bergenfield Board of Education
Bergenfield, 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 Bergenfield Board of Education as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated December 5, 2019.

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 Education, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

Lerch, Vinci & Higgins, LLP

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Certified Public Accountants
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Jeffrey C. Bliss
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Fair Lawn, New Jersey
December 5, 2019

**BERGENFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 the Insurance Schedule contained in the district's CAFR.

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
David DiPisa	School Business Administrator/ Board Secretary	\$325,000
Sean Gately	Treasurer of School Monies	\$325,000

There is a Public Employees' Dishonesty Insurance Coverage with the Northeast Bergen County School Board Insurance Group (NESBIG) covering all other employees with multiple coverage of \$100,000 per employee and \$400,000 per loss.

- **Finding** – Our audit noted that the surety bond insurance coverage on the Treasurer of School Monies was insufficient to meet the minimum required coverage. However, no recommendation is warranted as the Board has already increased the coverage to an amount to meet the minimum required coverage in accordance with the New Jersey Administrative Code.

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 did not reveal any material discrepancies with respect to each of signature certification and proper itemization.

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

**BERGENFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

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

The District maintains a personnel tracking and accounting (Position Control) system.

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.

- **Finding** – Our audit noted one instance where an employee was not properly enrolled in a State sponsored pension plan in a timely manner and one instance where the pension information reported to the State on the quarterly pension report was incorrect.

Recommendation – The District review and revise its procedures to ensure eligible employees are properly enrolled in the State sponsored pension systems in a timely manner and amounts reported on the quarterly pension reports are in agreement with the District’s payroll records.

- **Finding** – Our audit noted that at times the payroll department made changes to employees payroll information and deductions based on a verbal request by the employee.

Recommendation – Procedures be implemented to ensure that all employee requests to change payroll information and deductions are made formally in writing to the District’s personnel office.

- **Finding** – Our audit noted that one employee was overpaid during 2018-19. A recommendation is not warranted as this appears to be an isolated instance discovered by the District and the employee repaid the District for the overpayment upon being notified of the error.

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.

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 included administrative coding classifications to determine overall reliability and compliance with NJAC 6A:23A-8.3. As a result of the procedures performed additional procedures were not deemed necessary to test the propriety of expenditure classification.

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.

Board Secretary's Records

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

Acknowledgement of the Board’s receipt of the Board Secretary’s and Treasurer’s monthly financial reports were included in the minutes.

The prescribed contractual order system was followed without any material exceptions noted.

- **Finding** – Our audit noted that the tuition and transportation subsidiary ledger maintained by the Board does not agree with the amounts posted to the District’s revenue report and general ledger postings.

Recommendation – The tuition and transportation subsidiary ledger be reconciled to the District revenue report and general ledger postings on a monthly basis.

**BERGENFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Financial Planning, Accounting and Reporting (Continued)

Treasurer's Records

The Treasurer did perform reconciliations for all required accounts.

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

Unemployment Compensation Insurance Trust Fund

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 Expendable Trust Fund.

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

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

Our examination of the E.S.E.A./NCLB 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.

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 CAFR.

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 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 expenditures charged to the current year's Final Reports 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.

**BERGENFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-3 (as amended) and 18A:39-3 (public school student transportation) are \$29,000 and \$19,000 respectively.

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, c.198 (c.40A:11-9), the board of education may establish that the bid threshold may be up to \$40,000 in accordance with 18A:18A-2. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. The Board designated the School Business Administrator as the qualified purchasing agent.

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed; however, to determine whether any clear-cut violations existed.

The results of our examination did not indicate any individual payments, contracts, or agreements which 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 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. Our examination did reveal, however, that purchases were made through the use of State contracts.

Finding (CAFR Finding 2019-001) - Our audit noted the following with regards to compliance with Public School Contracts:

- The District does not retain supporting documentation to support amounts purchased through the use of State and/or Cooperative Purchasing Agreements contracts which exceeded the bid threshold.
- There was one (1) instance where the District could not locate the bid documents for bus repairs.

Recommendation – Internal control procedures be reviewed and enhanced to ensure supporting documentation is on file and made available for audit for all purchases made in accordance with the Public School Contracts Law.

Food Service Fund

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. 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.

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

Cash receipts and bank records were reviewed for timely deposit.

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. The FSMC contract includes an operating results provision which guarantees that the food service program will generate a profit. The operating results provision has been met in the current fiscal year.

**BERGENFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Food Service Fund (Continued)

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursement records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

Applications for free and reduced priced meals were reviewed for completeness and accuracy as part of our audit of the Application for State School Aid ("ASSA").

USDA Food Distribution Program commodities were received and a separate inventory were maintained on a first-in, first-out basis.

The Statement of Revenues, Expenses, and Changes in Net Position (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

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

Student Body Activities

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

Cash receipts and disbursements records for the various schools were maintained in good condition.

Summer Enrichment Program

A formal cash receipts and cash disbursement journal was maintained for the Summer Enrichment Program's financial transactions.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2018 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and limited English proficiency. 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 isolated exceptions noted between LEP Low Income and LEP Not Low Income. The information that was included on the workpapers was verified with exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The District had 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 2018-2019 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.

**BERGENFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Facilities and Capital Assets

Our procedures included a review of the State Schools Development Authority (SDA) grant agreements for consistency 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 – Our audit of the capital assets indicated the following:

- Prior year construction in progress costs were not added to the capital asset report for projects completed in 2018-19.
- Not all capital asset acquisitions were added to the capital asset report.
- Certain capital asset acquisitions were charged to supply line items.

Recommendation – All capital asset purchases be charged to the proper budget accounts and all capital asset acquisitions be added to the capital asset report.

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 Prior Year Findings

In accordance with government standards, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings.

Suggestions to Management

- Old outstanding checks and other reconciling items on the various District bank account reconciliations should be reviewed and cleared of record.
- Continued efforts be made to review project accounts in the Capital Projects Fund and appropriate action be taken to close out completed projects.

**BERGENFIELD BOARD OF EDUCATION
FOOD SERVICE FUND
SCHEDULE OF MEAL COUNT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

SCHEDULE OF MEAL COUNTY ACTIVITY

NOT APPLICABLE

**BERGENFIELD BOARD OF EDUCATION
NET CASH RESOURCE SCHEDULE**

**Proprietary Funds - Food Service
FYE 2019**

		Food Service B - 4/5	
<u>Net Cash Resources:</u>			
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 317,410
B-4		Due from Other Gov'ts	30,419
B-4		Accounts Receivable	
B-4		Investment	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	<u>(9,585)</u>
		Net Cash Resources	<u>\$ 338,244</u> (A)
<u>Net Adj. Total Operating Expense:</u>			
B-5		Tot. Operating Exp.	\$ 1,360,546
B-5		Less Depreciation	<u>(6,721)</u>
		Adj. Tot. Oper. Exp.	<u>\$ 1,353,825</u> (B)
<u>Average Monthly Operating Expense:</u>			
		B / 10	<u>\$ 135,383</u> (C)
<u>Three times monthly Average:</u>			
		3 X C	<u>\$ 406,149</u> (D)
<hr/>			
TOTAL IN BOX A		\$ 338,244	
LESS TOTAL IN BOX D		<u>406,149</u>	
NET EXCESS DEFICIT		<u>\$ (67,905)</u>	

Net Cash Resources Did Not Exceed Three Months of Expenditures

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

**BERGENFIELD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2018
SCHEDULE OF AUDITED ENROLLMENTS**

	2019-2020 Application for State School Aid						Sample for Verification						On Roll - Special Education			Private Schools for Disabled				
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Sample for Verification	Sample Verified	Sample Errors	Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared								
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years Old	10	-	10	-	-	-	10	-	10	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool 4 Years Old	10	-	10	-	-	-	10	-	10	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool 3 Years Old	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool 4 Years Old	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	229	-	229	-	-	-	68	-	68	-	-	-	-	-	-	-	-	-	-	-
Grade 1	190	-	190	-	-	-	36	-	36	-	-	-	-	-	-	-	-	-	-	-
Grade 2	191	-	191	-	-	-	42	-	42	-	-	-	-	-	-	-	-	-	-	-
Grade 3	236	-	236	-	-	-	46	-	46	-	-	-	-	-	-	-	-	-	-	-
Grade 4	236	-	236	-	-	-	62	-	62	-	-	-	-	-	-	-	-	-	-	-
Grade 5	217	-	218	-	(1)	-	36	-	36	-	-	-	-	-	-	-	-	-	-	-
Grade 6	228	-	228	-	-	-	228	-	228	-	-	-	-	-	-	-	-	-	-	-
Grade 7	246	-	246	-	-	-	246	-	246	-	-	-	-	-	-	-	-	-	-	-
Grade 8	226	-	226	-	-	-	226	-	226	-	-	-	-	-	-	-	-	-	-	-
Grade 9	271	-	271	-	-	-	271	-	271	-	-	-	-	-	-	-	-	-	-	-
Grade 10	237	-	237	-	-	-	237	-	237	-	-	-	-	-	-	-	-	-	-	-
Grade 11	251	-	251	-	-	-	251	-	251	-	-	-	-	-	-	-	-	-	-	-
Grade 12	232	-	232	-	-	-	232	-	232	-	-	-	-	-	-	-	-	-	-	-
Post- Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult High School (15+ Credits)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult High School (1-14 Credits)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	3,010	-	3,011	-	(1)	-	2,001	-	2,001	-	-	-	-	-	-	-	-	-	-	-
Sp Ed - Elementary	229	-	227	-	2	-	-	-	-	-	-	16	16	-	-	6	5	5	-	-
Sp Ed - Middle School	122	-	122	-	-	-	-	-	-	-	-	119	119	-	-	7	6	6	-	-
Sp Ed - High School	161	-	161	-	-	-	-	-	-	-	-	160	160	-	-	10	9	9	-	-
Subtotal	512	-	510	-	2	-	-	-	-	-	-	295	295	-	-	23	20	20	-	-
County Vocational - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County Vocational - F.T. Post-Secor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	3,522	-	3,521	-	1	-	2,001	-	2,001	-	-	295	295	-	-	23	20	20	-	-
Percentage Error					<u>0.03%</u>				<u>0.00%</u>					<u>0.00%</u>		<u>0.00%</u>			<u>0.00%</u>	

**BERGENFIELD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2018
SCHEDULE OF AUDITED ENROLLMENTS**

	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	Sample Errors
	Half Day Preschool 3 Years Old	-	-	-	-	-
Half Day Preschool 4 Years Old	-	-	-	-	-	-
Full Day Preschool 3 Years Old	-	-	-	-	-	-
Full Day Preschool 4 Years Old	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	64	64	-	3	3	-
Grade 1	71	71	-	4	4	-
Grade 2	65	65	-	4	4	-
Grade 3	85	85	-	5	5	-
Grade 4	72	72	-	4	4	-
Grade 5	72	72	-	4	4	-
Grade 6	86	85	1	4	4	-
Grade 7	100	99	1	5	5	-
Grade 8	91	91	-	5	5	-
Grade 9	99	99	-	5	5	-
Grade 10	84	84	-	5	5	-
Grade 11	97	97	-	5	5	-
Grade 12	82	82	-	4	4	-
Post- Graduate	-	-	-	-	-	-
Adult High School (15+ Credits)	-	-	-	-	-	-
Adult High School (1-14 Credits)	-	-	-	-	-	-
Subtotal	1,068	1,066	2	57	57	-
Sp Ed - Elementary	92	94	(2)	5	5	-
Sp Ed - Middle School	63	62	1	3	3	-
Sp Ed - High School	72	70	2	4	4	-
Subtotal	227	226	1	12	12	-
County Vocational - Regular	-	-	-	-	-	-
County Vocational - F.T. Post-Second	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Totals	1,295	1,292	3	69	69	-

Percentage Error 0.23% 0.00%

	Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
	Half Day Preschool 3 Years Old	-	-	-	-	-
Half Day Preschool 4 Years Old	-	-	-	-	-	-
Full Day Preschool 3 Years Old	-	-	-	-	-	-
Full Day Preschool 4 Years Old	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	18	18	-	12	12	-
Grade 1	25	23	2	16	16	-
Grade 2	19	17	2	11	11	-
Grade 3	13	14	(1)	10	10	-
Grade 4	15	13	2	9	9	-
Grade 5	11	9	2	6	6	-
Grade 6	10	9	1	6	6	-
Grade 7	9	7	2	5	5	-
Grade 8	4	3	1	2	2	-
Grade 9	7	7	-	5	5	-
Grade 10	10	7	3	5	5	-
Grade 11	4	3	1	2	2	-
Grade 12	5	3	2	2	2	-
Post- Graduate	-	-	-	-	-	-
Adult High School (15+ Credits)	-	-	-	-	-	-
Adult High School (1-14 Credits)	-	-	-	-	-	-
Subtotal	150	133	17	91	91	-
Sp Ed - Elementary	2	2	-	1	1	-
Sp Ed - Middle School	2	-	2	-	-	-
Sp Ed - High School	1	-	1	-	-	-
Subtotal	5	2	3	1	1	-
County Vocational - Regular	-	-	-	-	-	-
County Vocational - F.T. Post-Second	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Totals	155	135	20	92	92	-

Percentage Error 12.90% 0.00%

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	32	32	-	8	8	-
Transported - Non Public	-	-	-	-	-	-
AIL Non-Public	-	-	-	-	-	-
Regular - Special Ed	12	12	-	3	3	-
Special Needs	178	178	-	44	42	2
Totals	222	222	-	55	53	2

Percentage Error 0.00% 3.64%

**BERGENFIELD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2018
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	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	16	16	-	11	11	-
Grade 1	11	13	(2)	9	9	-
Grade 2	11	13	(2)	9	9	-
Grade 3	7	7	-	5	5	-
Grade 4	4	6	(2)	4	4	-
Grade 5	2	4	(2)	3	3	-
Grade 6	5	6	(1)	4	4	-
Grade 7	4	6	(2)	4	4	-
Grade 8	7	8	(1)	5	5	-
Grade 9	8	8	-	5	5	-
Grade 10	5	8	(3)	5	5	-
Grade 11	3	4	(1)	3	3	-
Grade 12	2	4	(2)	3	3	-
Post- Graduate	-	-	-	-	-	-
Adult High School (15+ Credits)	-	-	-	-	-	-
Adult High School (1-14 Credits)	-	-	-	-	-	-
Subtotal	85	103	(18)	70	70	-
Sp Ed - Elementary	1	1	-	1	1	-
Sp Ed - Middle School	-	2	(2)	1	1	-
Sp Ed - High School	-	1	(1)	1	1	-
Subtotal	1	4	(3)	3	3	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal						
Totals	86	107	(21)	73	73	-
Percentage Error			<u>-24.42%</u>			<u>0.00%</u>

**BERGENFIELD BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

SECTION 1A

2018-2019 Total General Fund Expenditures per the CAFR	\$	74,717,886
Increased by:		
Capital Reserve Transferred to Capital Projects Fund		290,524
Decreased by:		
On-Behalf TPAF Pension & Social Security		<u>(8,829,668)</u>
Adjusted 2018-2019 General Fund Expenditures	\$	<u>66,178,742</u>
2% of Adjusted 2018-2019 General Fund Expenditures	\$	<u>1,323,575</u>
Enter Greater of 2% of Adjusted 2018-2019 General Fund Expenditures or \$250,000	\$	1,323,575
Increased by: Allowable Adjustments		<u>964,543</u>
Maximum Unassigned Fund Balance	\$	<u>2,288,118</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2019 (Per CAFR Budgetary Comparison Schedule/Statement)	\$	9,556,254
Decreased by:		
Year End Encumbrances		354,215
Capital Reserve		1,751,748
Capital Reserve - Designated for Subsequent Year's Expenditures		667,355
Maintenance Reserve - Designated for Subsequent Year's Expenditures		400,000
Emergency Reserve		394,000
Emergency Reserve - Designated for Subsequent Year's Expenditures		200,000
Tuition Adjustments		360,000
Tuition Adjustments-Designated for Subsequent Year's Expenditures		343,000
Excess Surplus - Designated for Subsequent Year's Expenditures		1,144,579
Designated for Subsequent Year's Expenditures		<u>552,753</u>
Total Unassigned Fund Balance	\$	<u>3,388,604</u>

SECTION 3

Restricted Fund Balance - Excess Surplus \$ 1,100,486

Recapitulation of Excess Surplus as of June 30, 2019

Excess Surplus	\$	1,100,486
Excess Surplus - Designated for Subsequent Year Expenditures		1,144,579
Total Excess Surplus	\$	<u>2,245,065</u>

Detail of Allowable Adjustments

Extraordinary Aid \$ 964,543

**BERGENFIELD BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. The District review and revise its procedures to ensure eligible employees are properly enrolled in the State sponsored pension systems and amounts reported on the quarterly pension reports are in agreement with the District's payroll records.
2. Procedures be implemented to ensure that all employee requests to change payroll information and deductions are made formally in writing to the District's personnel office.
3. The tuition and transportation subsidiary ledger be reconciled to the District's revenue report and general ledger postings on a monthly basis.

III. School Purchasing Program

It is recommended that internal control procedures be reviewed and enhanced to ensure supporting documentation is on file and made available for audit for all purchases made in accordance with the Public School Contracts Law.

IV. Food Service Fund

There are none.

V. Student Body Activities

There are none.

VI. Summer Enrichment Program

There are none.

VII. Application for State School Aid

There are none.

VIII. Transportation

There are none.

IX. Facilities and Capital Assets

It is recommended that all capital asset purchases be charged to the proper budget accounts and all capital asset acquisitions be added to the capital asset report.

X. Miscellaneous

There are none.

XI. Status of Prior Years' Audit Findings/Recommendations

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

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 & HIGGINS, LLP

A handwritten signature in blue ink, appearing to read 'JC Bliss', with a long horizontal flourish extending to the right.

Jeffrey C. Bliss
Certified Public Accountant
Public School Accountant