

**LYNDHURST BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL COMPLIANCE AND PERFORMANCE
JUNE 30, 2020**

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

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LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

Honorable President and Members
of the Board of Education
Lyndhurst Board of Education
Lyndhurst, 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 Lyndhurst Board of Education as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated January 27, 2021.

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

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

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 27, 2021

**LYNDHURST BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 Comprehensive Annual Financial Report (the "CAFR").

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Angelo DeSimone	Treasurer of School Monies	\$500,000
Scott Bisig	Board Secretary/School Business Administrator	\$500,000

There is an Employees' Dishonesty Faithful Performance Crime Coverage through SAIF covering all other employees with multiple coverage of \$500,000 per loss.

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 supporting documentation, signatures and certification, except for the following:

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/Business Administrator and the Superintendent.

Salary withholdings were promptly remitted to the proper agencies, including health benefit withholdings due to the general fund for the payroll periods tested.

**LYNDHURST BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

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** – The position control roster in the personnel software has not been updated for 2019-2020 to agree to the District’s budget and payroll accounting records in accordance with N.J.A.C. 6A:23A-6.8. A review of the 2020-2021 position control roster revealed the District was in the process of updating and integrating the position control roster with the budget and payroll accounting systems. Therefore, since the District was implementing corrective action no recommendation is deemed warranted.

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 year end 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.

- **Finding** – Our audit of the General Fund revealed instances where open purchase orders at year-end were classified as encumbrances but were determined to be accounts payable, as the goods and services were rendered prior to June 30, 2020.

Recommendation – Procedures be revised to ensure open purchase orders are reviewed at year end for proper classification as accounts payable or encumbrances in the General Fund.

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, no material exceptions were noted, therefore, no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

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

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

The prescribed contractual order system was followed.

**LYNDHURST BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Financial Planning, Accounting and Reporting (Continued)

Treasurer's Records

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

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

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

The E.S.E.A. financial exhibits are contained within the Special Revenue section of the 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. 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 are contained within the Special Revenue Fund section of the CAFR. This section of the CAFR 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 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.

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

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(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 \$19,000 for 2019-20.

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. 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 appointed the State Fiscal Monitor as the qualified purchasing agent and has approved by Board resolution a bid threshold of \$40,000.

**LYNDHURST BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (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.

The results of our examination did not indicate any 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 provision of N.J.S.A. 18A:18A-4.

➤ **Finding (CAFR Finding 2002-001)** – Our audit of purchases and contract awards in excess of the bid threshold revealed the following as it related to compliance with the Public School Contracts Law and State procurement guidelines:

- Our audit indicated several vendors paid in excess of the bid threshold were based on the use of cooperative purchasing agreements which were not approved by the Board and included in the official minutes. Furthermore, the applicable cooperative purchasing agreements were not provided in order to determine the validity of the contracts.
- We noted purchases in excess of the bid threshold made through a National Purchasing Cooperative agreement vendor that was not approved in the minutes and was not publicly advertised for intent to purchase. In addition, documentation was not provided to support verification of bid process or proof of cost savings.

Recommendation - Contract awards and purchases made in excess of the bid threshold through the use of cooperative purchasing agreements and National Purchasing Cooperatives be approved by the Board in the official minutes and made in accordance with the Public School Contracts Law and State procurement guidelines. In addition, documentation be maintained on file and made available for audit to support the District's awards pursuant to cooperative purchasing agreements and National Cooperatives.

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.

➤ **Finding** – We noted several instances where business registration certificates (BRC) and political contribution disclosure forms (PCDF) were not on file and available for audit as required.

Recommendation – Procedures be enhanced to ensure business registration certificates and political contribution disclosure forms are obtained and maintained on file as required.

Food Service Fund

COVID – 19 EMERGENCY

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus all Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to Free and Reduced Price eligible students during the period of school closures.

Therefore, 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 Free and Reduced Price meal eligible students.

**LYNDHURST BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Food Service Fund (continued)

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 free and reduced price meal eligible students during the emergency.

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific cost applicable to the emergency operations.

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 as to whether the School Food Authority (the "SFA") had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted. In addition, we inquired 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 Statement of Revenues, Expenses, and Changes in Fund Net Position (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

The financial transactions and 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.

- **Finding** – Our audit revealed food sales reported in the District's records were less than the food sales reported by the Food Service Management Company (FSMC) on their operating statement.

Recommendation – The food sales reported on the Food Service Management Company's operating statement be compared to the amounts reported in the District's revenue report and any differences be reconciled on a monthly basis.

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed. The FSMC contract includes operating results provisions which guarantees that the food service program will break even. The operating results provision has been met.

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 price meals were reviewed for completeness and accuracy as part of our audit of the Application for State School Aid (ASSA).

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

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

Preschool Program Fund

Separate cash receipts and disbursement journals were maintained for the preschool program.

All disbursements are processed through the District's General operating account and reimbursed by the Preschool Program account.

- **Finding** – Our audit of preschool program billings and collections revealed documentation to support program registration and attendance were not provided for audit.

Recommendation – Documentation to support amounts billed and collected for the preschool program be made available for audit.

**LYNDHURST BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Student Body Activities

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

Cash receipts and disbursements records reviewed disclosed the following.

- **Finding** – We noted financial transactions for various activities (i.e. scholarships, grants and fines) in the High School student activity accounts that were not for student related type activities.

Recommendation – Financial transactions accounted for in the High School student activity accounts be only for student related type activities.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2019 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 with immaterial exceptions noted. 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 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 2019-2020 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 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.

Our procedures also included a review of transportation related contracts and purchases. Based on our review of transportation related purchases of goods and services, the District complied with proper bidding procedures and award of contracts.

Facilities and Capital Assets

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

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).

Suggestions to Management

- The District should review the unpaid liabilities for the prior years' A4 surcharge and appropriate action be taken to clear them of record.
- Formal written policy be approved for the use of store cards.
- Payroll check distribution verification be completed when permissible.

Follow-up Prior Year Findings

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

**LYNDHURST BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

N/A – INFORMATION NOT REQUIRED

**LYNDHURST BOARD OF EDUCATION
FOOD SERVICE FUND
NET CASH RESOURCE SCHEDULE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Net Cash Resources:</u>			Food Service	
CAFR	*	Current Assets		
B-4		Cash & Cash Equiv.	\$ 10,454	
B-4		Due from Other Gov'ts	7,104	
B-4		Accounts Receivable	6,925	
B-4		Due from Other Funds	4,000	
CAFR		Current Liabilities		
B-4		Less Accounts Payable		
B-4		Less Unearned Revenue	<u>(37,799)</u>	
		Net Cash Resources	<u><u>\$ (9,316)</u></u>	(A)
 <u>Net Adj. Total Operating Expense:</u>				
B-5		Tot. Operating Exp.	\$ 725,106	
B-5		Less Depreciation	<u>(1,056)</u>	
		Adj. Tot. Oper. Exp.	<u><u>\$ 724,050</u></u>	(B)
 <u>Average Monthly Operating Expense:</u>				
		B / 10	<u><u>\$ 72,405</u></u>	(C)
 <u>Three times monthly Average:</u>				
		3 X C	<u><u>\$ 217,215</u></u>	(D)

TOTAL IN BOX A	\$ (9,316)	
LESS TOTAL IN BOX D	<u>\$ 217,215</u>	
NET	<u><u>\$ (226,531)</u></u>	
Net Cash Resources do not Exceed 3 Months Average Expenses.		

**LYNDHURST BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2019
SCHEDULE OF AUDITED ENROLLMENTS**

	2019-2020 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 Register On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools		Sample for Verification		Sample Verified		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
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	193		193		-	-	49		50			(1)							
Grade 1	159		159		-	-	71		73			(2)							
Grade 2	149		149		-	-	45		46			(1)							
Grade 3	145		145		-	-	172		171			1							
Grade 4	174		174		-	-	80		80			-							
Grade 5	154		154		-	-	44		46			(2)							
Grade 6	175		175		-	-	75		75			-							
Grade 7	159		159		-	-	39		39			-							
Grade 8	170		170		-	-	77		77			-							
Grade 9	176	1	176	1	-	-	176	1	176	1		-							
Grade 10	158		158		-	-	158	1	158	1		-	-						
Grade 11	166	1	166	1	-	-	166	1	166	1		-							
Grade 12	175		175		-	-	175		175			-							
Post- Graduate					-	-						-							
Adult High School (15+ Credits)					-	-						-							
Adult High School (1-14 Credits)					-	-						-							
Subtotal	2,153	2	2,153	2	-	-	1,327	3	1,332	3	(5)	-	-	-	-	-	-	-	-
Sp Ed - Elementary	166		166		-	-	37		36			1	-		3	3	3		-
Sp Ed - Middle School	83		83		-	-	24		24			-	-		5	4	4		-
Sp Ed - High School	106		106		-	-	106		106			-	-		8	7	7		-
Subtotal	355	-	355	-	-	-	167	-	166	-	1	-	-	16	14	14	-	-	-
County Vocational - Regular					-	-						-							
County Vocational - F.T. Post-Second					-	-						-							
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	2,508	2	2,508	2	-	-	1,494	3	1,498	3	(4)	-	-	16	14	14	-	-	-
Percentage Error					<u>0.00%</u>							<u>-0.27%</u>			<u>0.00%</u>			<u>0.00%</u>	

**LYNDHURST BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2019
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident 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	44.0	44.0	-	11	11	-
Grade 1	33.0	33.0	-	10	10	-
Grade 2	44.0	43.0	1	14	14	-
Grade 3	38.0	38.0	-	12	12	-
Grade 4	49.0	50.0	(1)	15	15	-
Grade 5	37.0	36.0	1	12	12	-
Grade 6	59.0	59.0	-	19	19	-
Grade 7	34.0	34.0	-	10	10	-
Grade 8	37.0	36.0	1	11	11	-
Grade 9	40.0	40.0	-	13	13	-
Grade 10	34.0	34.0	0.5	10	10	-
Grade 11	25.0	25.0	-	8	8	-
Grade 12	35.0	35.0	-	11	11	-
Post- Graduate			-			-
Adult High School (15+ Credits)	-	-	-	-	-	-
Adult High School (1-14 Credits)	-	-	-	-	-	-
Subtotal	509.0	507.0	3	156	156	-
Sp Ed - Elementary	55.0	49.0	6	17	17	-
Sp Ed - Middle School	32.0	32.0	-	11	10	1
Sp Ed - High School	24.0	24.0	-	8	8	-
Subtotal	111.0	105.0	6	36	35	1
County Vocational - Regular			-			-
County Vocational - F.T. Post-Second			-			-
Subtotal	-	-	-	-	-	-
Totals	620.0	612.0	8.5	192.0	191.0	1.0
Percentage Error			<u>1.37%</u>			<u>0.52%</u>

	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	3	3	-	2	2	-
Grade 1	2	2	-	2	2	-
Grade 2	1	1	-	1	1	-
Grade 3	-	-	-	-	-	-
Grade 4	2	2	-	2	2	-
Grade 5	2	2	-	2	2	-
Grade 6	-	-	-	-	-	-
Grade 7	3	3	-	2	2	-
Grade 8	3	3	-	2	2	-
Grade 9	1	1	-	1	1	-
Grade 10	2	2	-	2	2	-
Grade 11	-	-	-	-	-	-
Grade 12	2	2	-	2	2	-
Post- Graduate	-	-	-	-	-	-
Adult High School (15+ Credits)	-	-	-	-	-	-
Adult High School (1-14 Credits)	-	-	-	-	-	-
Subtotal	21	21	-	18	18	-
Sp Ed - Elementary			-			-
Sp Ed - Middle School			-			-
Sp Ed - High School			-			-
Subtotal	-	-	-	-	-	-
Totals	21	21	-	18	18	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	67	67	-	42	42	-
Regular - Special Ed	30	30	-	21	21	-
Transported - Non Public			-			-
Special Needs	73	73	-	46	44	2
Subtotal	170	170	-	109	107	2
Percentage Error			<u>0.0%</u>			<u>1.8%</u>

**LYNDHURST BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2019
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			-		
Half Day Preschool 4 Years Old			-			-
Full Day Preschool 3 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten	2	2	-	1	1	-
Grade 1	2	2	-	1	1	-
Grade 2	-	-	-	-	-	-
Grade 3	1	1	-	1	1	-
Grade 4	3	3	-	2	2	-
Grade 5	1	1	-	1	1	-
Grade 6	2	2	-	1	1	-
Grade 7	1	1	-	1	1	-
Grade 8	-	-	-	-	-	-
Grade 9	2	2	-	2	2	-
Grade 10	6	6	-	4	4	-
Grade 11	2	2	-	1	1	-
Grade 12	3	3	-	2	2	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
Subtotal	25	25	-	17	17	0
Sp Ed - Elementary						-
Sp Ed - Middle School						-
Sp Ed - High School	1	1		1	1	-
Subtotal	1	1	-	1	1	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal						
Totals	26	26	-	18	18	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**LYNDHURST BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

SECTION 1A

2019-2020 Total General Fund Expenditures per the CAFR	\$	47,565,703
Increased by:		
Transfer from General Fund to Preschool Program Fund		25,000
Decreased by:		
On-Behalf TPAF Pension & Social Security		(6,882,995)
Assets Acquired Under Capital Leases		(237,322)
Adjusted 2019-2020 General Fund Expenditures	\$	<u>40,470,386</u>
1.5% of Adjusted 2019-2020 General Fund Expenditures	\$	<u>607,056</u>
Enter Greater of 1.5% of Adjusted 2019-2020 General Fund Expenditures or \$250,000	\$	607,056
Increased by: Allowable Adjustments		<u>113,120</u>
Maximum Unassigned Fund Balance	\$	<u>720,176</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2020 (Per CAFR Budgetary Comparison Schedule/Statement)	\$	2,661,453
Decreased by:		
Year End Encumbrances		(565,286)
Other Restricted Fund Balances - Disallowed Grant Costs		(301,224)
Other Restricted Fund Balances - Capital Reserve		(270,021)
Other Restricted Fund Balances - Maintenance Reserve		(270,000)
Assigned - Designated for Subsequent Year's Expenditures		(534,746)
Unassigned Fund Balance	\$	<u>720,176</u>
Fund Balance - Excess Surplus	\$	<u>-</u>

SECTION 3

Recapitulation of Excess Surplus as of June 30, 2020

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

Detail of Allowable Adjustments

Extraordinary Aid	\$	113,120
Non Public School Transportation Aid		<u>-</u>
	\$	<u>113,120</u>

**LYNDHURST BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that procedures be revised to ensure open purchase orders are reviewed at year end for proper classification as accounts payable or encumbrances in the General Fund.

III. School Purchasing Program

It is recommended that:

- * 1. Contract awards and purchases made in excess of the bid threshold through the use of cooperative purchasing agreements and National Purchasing Cooperatives be approved by the Board in the official minutes and made in accordance with the Public School Contracts Law and State procurement guidelines. In addition, documentation be maintained on file and made available for audit to support the District's awards pursuant to cooperative purchasing agreements and National Cooperatives.
- 2. Procedures be enhanced to ensure business registration certificates and political contribution disclosure forms are obtained and maintained on file as required.

IV. School Food Services

It is recommended that the food sales reported on the Food Service Management Company's operating statement be compared to the amounts reported in the District's revenue report and any differences be reconciled on a monthly basis.

V. Preschool Program

It is recommended that documentation to support amounts billed and collected for the preschool program be made available for audit.

VI. Student Body Activities

- * It is recommended that financial transactions accounted for in the High School student activity accounts be only for student related type activities.

VII. Application for State School Aid

There are none.

**LYNDHURST BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

RECOMMENDATIONS

VIII. Transportation

There are none.

IX. Facilities and Capital Assets

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

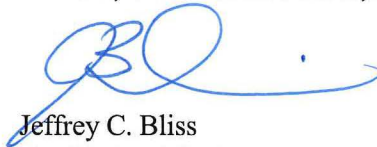
A review was performed on all prior years' recommendations and corrective action was taken on all prior year findings, except the recommendations denoted by an asterisk.

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



Jeffrey C. Bliss
Certified Public Accountant
Public School Accountant