

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

**NORTH BERGEN BOARD OF EDUCATION  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and Members  
of the Board of Education  
North Bergen Board of Education  
North Bergen, 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 North Bergen Board of Education as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated February 4, 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 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.

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

Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
February 4, 2021

**NORTH BERGEN 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 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 Exhibit J-20, "Schedule of Insurance", as reported in the District's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Hugo Cabrera	Board Secretary	\$500,000
Steven Somick	School Business Administrator	600,000
Thomas Tango	Treasurer of School Monies	600,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$100,000.

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. 6:A:23.3(f)3.

**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 signature certification 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 payroll taxes were also deposited in the Payroll Account.

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

Salary withholdings tested were promptly remitted to the proper agencies including employee health benefits contribution withholdings 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 of certain employees.

**Finding** – The District does not always independently verify that the payroll taxes have been paid by the payroll service provider.

**Recommendation** – Procedures be implemented to verify that all payroll taxes have been properly remitted by the payroll service provider.

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

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

**Financial Planning, Accounting and Reporting (Continued)**

Unemployment Compensation

The District has elected the reimbursement method for unemployment compensation. Under this method, a portion of the quarterly worker contribution is to be deposited into the District's unemployment insurance trust fund and be used to pay invoices received from the State for unemployment claims.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

**Finding** – Our audit of accounts payable and encumbrances payable in the General Fund revealed that there are several purchase orders that remain unpaid from prior years.

**Recommendation** – It is recommended that all prior year accounts payable and open purchase orders be reviewed and cleared of record.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(g) 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, our sample selection specifically targeted administrative coding, classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-2.4.

Board Secretary's Records

The prescribed contractual order system was followed.

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

**Finding** – The District maintains a transportation bank account to process aid in lieu payment checks. At June 30, 2020, the District's transportation bank account had a cash balance of \$22,903. This account balance was not recorded in the District's financial reports and was not included in the Board Secretary's report or Treasurer's cash report.

**Recommendation** – The transportation account transactions be included in the District's monthly financial reports and the excess cash balance be refunded to the Board's General Account.

Treasurer's Records

The Treasurer performed all cash reconciliations as required.

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

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

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

**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. 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 Title I, II, III, III Immigrant and IV of the Elementary and Secondary Education Act (E.S.E.A.), as amended and reauthorized.

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.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Exhibits K-3 and K-4 located in the CAFR.

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

Teacher's Pension and Annuity Fund (TPAF)

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.

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/Social Security 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 60 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-23 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 currently \$19,000. The Board has 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 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 provision of N.J.S.A. 18A:18A-4.

**NORTH BERGEN 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)

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.

**Food Service Fund**

COVID – 19 Emergency

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus all Public, Charter, Non-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, 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 Free and Reduced Price meal eligible students.

SFA's 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.

The financial transactions and statistical records of the school food services were reviewed. The financial accounts, meal count records and eligibility applications 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 NuWay Concessionaries 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 contract were reviewed. The contract includes a provision which guarantees that the food service program will have a minimum profit of \$85,000, however, due to the Covid-19 pandemic, the provisions of the guarantee were not met. All vendor discounts, rebates and credits from vendors and/or the FSMC were tracked and credited to the Food Service account and reconciled to supporting documentation.

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 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 fund.

**Finding** – The June 30, 2020 net cash resources exceeded the three month average of food service expenses.

**Recommendation** – The District review the operations of its Food Service Enterprise Fund to ensure that the net cash resources do not exceed the three month average expenses.

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

**Food Service Fund (Continued)**

The number of meals claimed for reimbursement was compared to meal count records. As part of the claims process, the district completed edit check worksheets. Reimbursement claims were submitted/certified in a timely manner.

**Finding** – The reimbursement voucher for June 2020 was not properly certified by the District and therefore the District was deemed ineligible to receive \$143,794 in state and federal subsidy reimbursement. The District is appealing the denied claim with the Department of Agriculture.

**Recommendation** – The District implement procedures to ensure that claims for federal and state reimbursement are submitted within sixty days of month end.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and milk policy was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

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

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

The District's FSMC did provide the USDA mandated Non-Program Food Revenue tool.

Exhibits reflecting Child Nutrition Program operations are included on Exhibits B-4, B-5 and B-6 of the District's CAFR.

**Student Body Activities**

The Board has a policy which clearly established the regulation of student activity and athletic account funds.

**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 disabled, low-income and limited English proficient. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to District workpapers with immaterial exceptions noted. The information on the workpapers was verified with minor exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2019-2020 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Report with immaterial exceptions noted. 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.



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

**Facilities and Capital Assets**

Our procedures included a review of the School Development Authority (the “SDA”) grant agreement for consistency with recording SDA revenue, transfer of local funds from the general fund and awarding of contracts for eligible facilities construction.

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).

**Follow-Up on Prior Year Findings**

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

**Suggestions to Management**

- Outstanding checks and other reconciling items on the District’s bank reconciliations be reviewed and cleared of record. In addition, old class accounts in the High School activity account should be reviewed and cleared of record.
- Interfund balances at June 30, 2020 should be cleared of record.

**NORTH BERGEN BOARD OF EDUCATION  
FOOD SERVICE FUND  
NUMBER OF MEALS  
FOOD SERVICE ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Program	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>
National School Lunch (Regular Rate)	Paid	18,768	6,125	6,125	
	Reduced	17,955	5,559	5,559	-
	Free	<u>312,067</u>	<u>108,752</u>	<u>108,752</u>	-
		<u>348,790</u>	<u>120,436</u>	<u>120,436</u>	-
Breakfast (Severe Need)	Paid	4,797	1,483	1,483	-
	Reduce	5,184	1,488	1,488	-
	Free	<u>151,110</u>	<u>52,425</u>	<u>52,425</u>	-
		<u>161,091</u>	<u>55,396</u>	<u>55,396</u>	-
Special Milk	Paid	3,935	1,346	1,346	
	Free	<u>11,540</u>	<u>3,732</u>	<u>3,732</u>	-
		<u>15,475</u>	<u>5,078</u>	<u>5,078</u>	-
After School Snack	Free	<u>8,594</u>	<u>2,712</u>	<u>2,712</u>	-
<b>TOTAL</b>		<u>533,950</u>	<u>183,622</u>	<u>183,622</u>	-

**NORTH BERGEN BOARD OF EDUCATION  
CALCULATION OF NET CASH RESOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Current Assets**

Cash and Cash Equivalents	\$	495,940
Due from Other Funds		563,304
Due from Other Governments		<u>6,970</u>
		1,066,214

**Current Liabilities**

Less:		
Accounts Payable		<u>(138,517)</u>

<b>Net Cash Resources</b>	<b>\$</b>	<b><u>927,697</u></b>
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**Adjusted Total Operating Expense:**

Total Operating Expenses	\$	2,516,312
Less Depreciation		<u>(6,456)</u>
Adjusted Total Operating Expense	\$	<u>2,509,856</u>

<b><u>Average Monthly Operating Expense:</u></b>	<b>\$</b>	<b><u>250,986</u></b>
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<b><u>Three Times Monthly Average:</u></b>	<b>\$</b>	<b><u>752,957</u></b>
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Total Net Cash Resources	\$	927,697
Three Times Monthly Average		<u>752,957</u>

Amount Above Allowable Net Cash Resources	\$	<u>174,740</u>
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**NORTH BERGEN BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2019  
SCHEDULE OF AUDITED ENROLLMENTS**

	2020-2021 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 from Work- papers	Sample Verfied	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool 4 yrs	209		209					209		209						
Full Day Kindergarten	454		454					38		38						
Grade 1	407		407					67		67						
Grade 2	413		413					106		106						
Grade 3	465		465					36		36						
Grade 4	481		481					27		27						
Grade 5	474		474					55		55						
Grade 6	466		466					107		107						
Grade 7	469		469					53		53						
Grade 8	517		517					64		64						
Grade 9	577		577					577		577						
Grade 10	480		480					480		480						
Grade 11	431		431					431		431						
Grade 12	521		521					521		521						
Subtotal	6,364	-	6,364	-	-	-		2,771	-	2,771	-	-	-	-	-	-
Special Ed - Elementary	523		523					63		63			5	4	4	
Special Ed - Middle	241		241					47		47			9	8	8	
Special Ed - High	360		360					360		360			17	15	15	
Subtotal	1,124	-	1,124	-	-	-		470	-	470	-	-	31	27	27	-
Totals	7,488	-	7,488	-	-	-		3,241	-	3,241	-	-	31	27	27	-
Percentage Error					0.00%	0.00%										0.00%

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

	Resident Low Income			Sample for Verification			Resident LEP Free/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 Application and Register	Errors
Half Day Preschool 4 yrs												
Full Day Kindergarten	339.0	339.0		5	5		73	73		8	8	
Grade 1	290.0	290.0		5	5		60	60		6	6	
Grade 2	286.0	286.0		5	5		49	49		5	5	
Grade 3	328.0	328.0		5	5		59	59		6	6	
Grade 4	308.0	308.0		5	5		45	45		5	5	
Grade 5	303.0	303.0		5	5		40	40		4	4	
Grade 6	312.0	312.0		5	5		43	43		4	4	
Grade 7	284.0	284.0		4	4		34	34		4	4	
Grade 8	284.0	284.0		4	4		51	51		5	5	
Grade 9	327.0	327.0		5	5		48	48		5	5	
Grade 10	253.0	253.0		4	4		32	32		3	3	
Grade 11	222.0	222.0		4	4		37	37		4	4	
Grade 12	285.0	285.0		4	4		33	33		3	3	
Subtotal	3,821	3,821	-	60	60	-	604	604	-	62	62	-
Special Ed - Elementary	342	342		5	5		13	13		1	1	
Special Ed - Middle	169	169		3	3		4	4		1	1	
Special Ed - High	230	230		4	4		4	4		1	1	
Subtotal	741	741	-	12	12	-	21	21	-	3	3	-
Juvenile Detention Center	1	1	-									
Totals	4,563	4,563	-	72	72	-	625	625	-	65	65	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	698	698		140.0	140.0	
Special Ed. - Public	176	176		35.0	35.0	
Special Needs - Public	62	62		12.0	12.0	
	936	936	-	187.0	187.0	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**NORTH BERGEN 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 A.S.S.A as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Worpapers	Sample Verified to Register	Errors
Half Day Preschool 4 yrs						
Full Day Kindergarten	8.0	8.0		3.0	3.0	
Grade 1	14.0	14.0		6.0	6.0	
Grade 2	11.0	11.0		5.0	5.0	
Grade 3	10.0	10.0		4.0	4.0	
Grade 4	9.0	9.0		4.0	4.0	
Grade 5	8.0	8.0		3.0	3.0	
Grade 6	5.0	5.0		2.0	2.0	
Grade 7	9.0	9.0		4.0	4.0	
Grade 8	12.0	12.0		5.0	5.0	
Grade 9	9.0	9.0		4.0	4.0	
Grade 10	8.0	8.0		3.0	3.0	
Grade 11	-	-		-	-	
Grade 12	13.0	13.0		5.0	5.0	
Subtotal	116.0	116.0	-	48.0	48.0	-
Special Ed - Elementary	1.0	1.0		1.0	1.0	
Special Ed - Middle	-	-		-	-	
Special Ed - High	-	-		-	-	
Subtotal	1.0	1.0	-	1.0	1.0	-
Total	117.0	117.0	-	49.0	49.0	-
Percentage Error			0.00%			0.00%

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

2019-2020 Total General Fund Expenditures		\$ 133,542,159
Decreased by:		
On-Behalf TPAF Pension & Social Security		<u>(20,561,357)</u>
Adjusted 2019-2020 General Fund Expenditures		<u>\$ 112,980,802</u>
2% of Adjusted 2019-2020 General Fund Expenditures		\$ 2,259,616
Increased by:		
Allowable Adjustments		<u>280,964</u>
Maximum Unassigned Fund Balance		\$ 2,540,580
Total General Fund - Fund Balance at June 30, 2020 (Budgetary Basis)		\$ 31,106,588
Decreased by:		
Encumbrances	\$ 3,670,846	
Capital Reserve	13,276,716	
Maintenance Reserve	4,003,000	
Emergency Reserve	598,500	
Excess Surplus Designated for Subsequent Year's Budget	1,108,696	
Designated for Subsequent Year's Budget	<u>4,499,715</u>	
		<u>27,157,473</u>
Total Unassigned Fund Balance		<u>3,949,115</u>
Excess Surplus, June 30, 2020		<u>\$ 1,408,535</u>
 <u>Analysis of Excess Surplus</u>		
Excess Surplus Designed for Subsequent Year's Budget		\$ 1,108,696
Excess Surplus		<u>1,408,535</u>
		<u>\$ 2,517,231</u>
Allowable Adjustments		
Unbudgeted Extraordinary Aid		<u>\$ 280,964</u>

**NORTH BERGEN BOARD OF EDUCATION  
RECOMMENDATIONS**

**I. Administrative Practices and Procedures**

There are none.

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

It is recommended that:

1. Procedures be implemented to verify that all payroll taxes have been properly remitted by the payroll service provider.
2. All prior year accounts payable and open purchase orders be reviewed and cleared of record.
- \* 3. The transportation account transactions be included in the District's monthly financial reports and the excess cash balance be refunded to the Board's General Account.

**III. School Purchasing Program**

There are none.

**IV. School Food Services**

It is recommended that:

- \* 1. The District review the operations of its Food Service Enterprise Fund to ensure that the net cash resources do not exceed the three months average expenses.
2. The District implement procedures to ensure that claims for federal and state reimbursement are submitted within sixty days of month end.

**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.



**NORTH BERGEN BOARD OF EDUCATION  
RECOMMENDATIONS**

**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 recommendations, except those denoted with 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.