

**HACKENSACK BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2021**

**HACKENSACK 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
Hackensack Board of Education
Hackensack, 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 Hackensack Board of Education, State of New Jersey as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated February 3, 2022.

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 for the information 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.

Leach, 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
February 3, 2022

**HACKENSACK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator the activities of the Board of Education and 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 contained in the district's Comprehensive Annual Financial Report ("CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Dora E. Zeno	Business Administrator/Board Secretary	\$500,000

There is an Employee Dishonesty Faithful Performance Crime Coverage policy with N.J. Schools Insurance Group covering all other employees with multiple coverage of \$500,000 per employee.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any material discrepancies with respect to signatures, certifications or supporting documentation.

Payroll Account

The net salaries of all employees of the Board were deposited in the payroll account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the payroll agency account.

All salaries tested were approved by the Superintendent and were certified by the President of the Board and the Business Administrator/Board Secretary.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withheld and due to the governmental funds.

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.

**HACKENSACK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Financial Planning, Accounting and Reporting (Continued)

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.

- **Finding 2021-1 (CAFR Finding 2021-001)** – We noted the ESIP project contract in the amount of \$12.6 million was not encumbered upon award and therefore was not recorded in the District’s accounting records at year end.

Recommendation – Procedures be revised to ensure all contracts are encumbered when awarded by the District.

Travel

The District has an approved Board travel policy as required by N.J.A.C. 6A:23A-6.13 and N.J.S.A. 18A:11-12.

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 *N.J.A.C. 6A:23-8.3*. 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 in good condition.

Acknowledgment 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 with exceptions as previously noted.

Our review of the financial and accounting records maintained by the Board Secretary disclosed the following items:

- **Finding 2021-2** – We noted the payments made to vendors from the ESIP project account were not included on the bills list and approved by the Board.

Recommendation – All vendor payments from the ESIP project account be included on the bills list presented to the Board for their approval prior to payment.

**HACKENSACK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Financial Planning, Accounting and Reporting (Continued)

Unemployment Compensation Insurance Account

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Account. The financial transactions of this account are reported in the General Fund.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Acts (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 and IV of the Elementary and Secondary Education Act, as amended and reauthorized.

Our examination of the ESEA/ESSA 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.

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 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.

**HACKENSACK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulates bidding for public school student transportation contracts under NJSA 18A:39-3 is \$19,600 for the 2020/2021 school year.

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 \$44,000. 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 has designated the Interim School Business Administrator as the qualified purchasing agent and established the bid threshold at \$44,000.

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.

Based on the results of our examination, we noted instances where individual payments, contracts or agreements were made for the performance of work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, as amended.

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" per N.J.S.A. 18A:18A-5 and 19:44A in certain instances.

- **Finding 2021-3 (CAFR Findings 2021-002)** – Our audit of purchases and contract awards in excess of the bid threshold revealed the following as it relates to compliance with the Public School Contracts Law and State procurement regulations:
- We noted a contract for substitute staffing services which exceeded the bid threshold was not awarded through a public bidding or competitive contracting process. In addition, we noted the contract award did not include a maximum not to exceed contract amount.
 - We noted State contract and cooperative purchasing program contract award information was not on file in the District and not being reviewed to ensure amounts invoiced were goods or services and prices in the approved State contract or cooperative purchasing program award. In addition, we also noted in some instances that certain State contract and cooperative contract vendors were not specifically approved by Board resolution, as such.
 - We noted payments were made for pest control, security and printing services which exceeded the quote threshold, however competitive quotations were not sought.
 - Our audit indicated that the District did not submit to the Office of the State Comptroller the pre-advertisement or post award notices for a contract award which exceeding \$10 million as required by NJSA 52:15C-10.

**HACKENSACK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

Recommendation – Continued efforts be made over purchasing procedures to ensure all contract awards and purchases that exceed the bid and quote thresholds are procured in accordance with the requirements of the Public School Contracts Law and State procurement regulations. In addition, documentation be maintained on file to support the District’s awards pursuant to State contracts and cooperative purchasing agreements.

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.

School Food Service

Public Health Emergency

In accordance with the Governor’s Declaration of Emergency pertaining to the public health emergency 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.

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 all children throughout the ages of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

During SY 2020-2021 the public health emergency was still applicable. As a result, School Food Authorities (SFA’s) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) option.

The school food service program was not selected as a major Federal or State program. However, the program expenditures exceeded \$100,000 in Federal and State 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. 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.

We also inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific cost applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

The financial transactions of the school food service fund were maintained in good condition. The financial accounts were reviewed on a test-check 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 an operating result provision which was met by the FSMC for the current fiscal year.

**HACKENSACK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

School Food Service (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 disbursements records reflected expenditures for program related goods and services with exceptions noted. 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 exceed three months average expenditures.

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

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.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Exhibits B-4 through B-6 of the CAFR.

Student Body Activities

During our review of the student activity funds, the following matters were noted:

- **Finding 2021-4** – Pre-numbered receipt tickets were not utilized in most instances for monies collected in the Elementary, Middle School or High School Student Activity accounts.

Recommendation – Pre-numbered receipt tickets be utilized for all monies collected in the student activity accounts.

- **Finding 2021-5** – We noted instances where vouchers or checks request forms for the High School Athletic and Varsity Club accounts did not have a payment approval signature.

Recommendation – Vouchers or check request forms be properly approved prior to payment in the High School Athletic and Varsity Club accounts.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2020 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, related services, bilingual students and low-income. 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 minor exceptions noted. The information that was included on the workpapers was verified with immaterial 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 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 2020-21 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.

Facilities and Capital Assets

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

**HACKENSACK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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).

Management Suggestions

- A formal resolution be approved for reductions in anticipated budget tuition revenue amounts.
- Resolutions for the appropriation of fund balances specifically include the amounts of fund balances being appropriated to the budget.
- Scholarship accounts be included on the monthly Treasurer's report.

Follow-up Prior Year Findings

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

**HACKENSACK BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**HACKENSACK BOARD OF EDUCATION
FOOD SERVICE FUND
SCHEDULE OF NET CASH RESOURCES
ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

**Food
Service
B - 4/5**

Net Cash Resources:

CAFR	*	Current Assets			
B-4		Cash & Cash Equiv.	\$	2,824,852	
B-4		Due from Other Gov'ts		866,938	
B-4		Due from Other Fund			
B-4		Accounts Receivable			
B-4		Investments			
CAFR		Current Liabilities			
B-4		Less Accounts Payable		(261,283)	
B-4		Less Accruals			
B-4		Less Due to Other Funds			
B-4		Less Unearned Revenue		<u>(20,572)</u>	
		Net Cash Resources	\$	<u>3,409,935</u>	(A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	\$	2,610,116	
B-5	Less Depreciation		<u>48,858</u>	
	Adj. Tot. Oper. Exp.	\$	<u>2,561,258</u>	(B)

Average Monthly Operating Expense:

B / 10		<u>256,126</u>	(C)
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Three times monthly Average:

3 X C		<u>768,378</u>	(D)
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TOTAL IN BOX A		<u>3,409,935</u>	
LESS TOTAL IN BOX D		<u>768,378</u>	
NET		<u><u>2,641,557</u></u>	

From above:

Net Cash Resources Did Exceed Three Months of Average Expenditures

**HACKENSACK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2020
SCHEDULE OF AUDITED ENROLLMENTS**

	2021-2022 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 Workpapers	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool 3 yrs					-	-					-	-	-	-	-	-	-
Half Day Preschool 4 yrs					-	-					-	-	-	-	-	-	-
Full Day Preschool 3 yrs					-	-					-	-	-	-	-	-	-
Full Day Preschool 4 yrs	158.0		158.0		-	-	37.0		37.0		-	-	-	-	-	-	-
Half Day Kindergarten					-	-					-	-	-	-	-	-	-
Full Day Kindergarten	279.0		279.0		-	-	64.0		64.0		-	-	-	-	-	-	-
Grade 1	288.0		288.0		-	-	69.0		69.0		-	-	-	-	-	-	-
Grade 2	306.0		306.0		-	-	69.0		69.0		-	-	-	-	-	-	-
Grade 3	282.0		282.0		-	-	75.0		73.0		2.0	-	-	-	-	-	-
Grade 4	274.0		274.0		-	-	65.0		65.0		-	-	-	-	-	-	-
Grade 5	292.0		292.0		-	-	292.0		294.0		(2.0)	-	-	-	-	-	-
Grade 6	307.0		306.0		1.0	-	306.0		305.0		1.0	-	-	-	-	-	-
Grade 7	310.0		310.0		-	-	310.0		310.0		-	-	-	-	-	-	-
Grade 8	326.0		325.0		1.0	-	325.0		324.0		1.0	-	-	-	-	-	-
Grade 9	300.0	3.0	300.0	3.0	-	-	300.0	3.0	304.0	3.0	(4.0)	-	-	-	-	-	-
Grade 10	380.0	3.0	380.0	3.0	-	-	380.0	3.0	382.0	3.0	(2.0)	-	-	-	-	-	-
Grade 11	421.0	5.0	421.0	5.0	-	-	421.0	5.0	423.0	5.0	(2.0)	-	-	-	-	-	-
Grade 12	380.0	8.0	380.0	9.0	-	(1.0)	380.0	9.0	379.0	8.0	1.0	1.0	-	-	-	-	-
Adult School					-	-					-	-	-	-	-	-	-
Subtotal	4,303.0	19.0	4,301.0	20.0	2.0	(1.0)	3,093.0	20.0	3,098.0	19.0	(5.0)	1.0	-	-	-	-	-
Special Ed - Elementary	523.0		523.0		-	-	33.0		33.0	-	-	-	15.0	11.0	11.0	-	-
Special Ed - Middle	244.0		244.0		-	-	16.0		16.0	-	-	-	14.0	11.0	11.0	-	-
Special Ed - High	302.0	4.0	302.0	4.0	-	-	19.0	-	19.0	-	-	-	20.5	16.0	15.0	1.0	-
Subtotal	1,069.0	4.0	1,069.0	4.0	-	-	68.0	-	68.0	-	-	-	49.5	38.0	37.0	1.0	-
Totals	5,372.0	23.0	5,370.0	24.0	2.0	(1.0)	3,161.0	20.0	3,166.0	19.0	(5.0)	1.0	49.5	38.0	37.0	1.0	-
Percentage Error					0.04%	-4.35%					-0.16%	5.00%					2.63%

**HACKENSACK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2020
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low	Reported on Workpapers as Low	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 Worpapers	Verified to Test Score and Register	Errors
	Income	Income										
Half Day Preschool 3 yrs	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool 4 yrs	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool 3 yrs	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool 4 yrs	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	145.0	145.0	-	3.0	3.0	-	39.0	39.0	-	5.0	5.0	-
Grade 1	185.0	185.0	-	4.0	4.0	-	55.0	55.0	-	8.0	8.0	-
Grade 2	206.0	206.0	-	4.0	4.0	-	41.0	41.0	-	6.0	6.0	-
Grade 3	188.0	188.0	-	4.0	4.0	-	50.0	50.0	-	7.0	7.0	-
Grade 4	180.0	180.0	-	4.0	4.0	-	42.0	42.0	-	6.0	6.0	-
Grade 5	213.0	213.0	-	5.0	5.0	-	19.0	19.0	-	3.0	3.0	-
Grade 6	217.0	217.0	-	5.0	5.0	-	20.0	20.0	-	3.0	3.0	-
Grade 7	196.0	196.0	-	4.0	4.0	-	17.0	17.0	-	2.0	2.0	-
Grade 8	211.0	211.0	-	5.0	5.0	-	25.0	25.0	-	3.0	3.0	-
Grade 9	179.0	178.0	1.0	4.0	4.0	-	18.0	18.0	-	3.0	3.0	-
Grade 10	177.0	177.0	-	4.0	4.0	-	26.0	26.0	-	4.0	4.0	-
Grade 11	196.5	195.0	1.5	5.0	5.0	-	30.0	30.0	-	4.0	4.0	-
Grade 12	170.5	169.5	1.0	4.0	4.0	-	29.0	29.0	-	4.0	3.0	1.0
Subtotal	2,464.0	2,460.5	3.5	55.0	55.0	-	411.0	411.0	-	58.0	57.0	1.0
Special Ed - Elementary	357.0	355.0	2.0	8.0	8.0	-	17.0	20.0	(3.0)	3.0	3.0	-
Special Ed - Middle	200.0	200.0	-	4.0	4.0	-	14.0	14.0	-	2.0	2.0	-
Special Ed - High	192.0	190.5	1.5	4.0	3.0	1.0	3.0	3.0	-	-	-	-
Subtotal	749.0	745.5	3.5	16.0	15.0	1.0	34.0	37.0	(3.0)	5.0	5.0	-
Sent Priv Sch Disabled			-									
Sent to RDS			-									
Sent To CSSD			-									
Totals	3,213.0	3,206.0	7.0	71.0	70.0	1.0	445.0	448.0	(3.0)	63.0	62.0	1.0
Percentage Error			<u>0.0</u>			<u>0.0</u>			<u>(0.0)</u>			<u>0.0</u>

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	275.0	275.0	-	44.0	44.0	-
Transported - Non - Public	-	-	-	-	-	-
Special Ed. - w/o Spec Needs	26.0	26.0	-	4.0	2.0	2.0
Special Ed - w/ Spec Needs	81.0	81.0	-	13.0	13.0	-
	<u>382.0</u>	<u>382.0</u>	<u>-</u>	<u>61.0</u>	<u>59.0</u>	<u>2.0</u>
Percentage Error			<u>0%</u>			<u>3%</u>

**HACKENSACK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2020
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 Workpapers	Verified to Application and Register	Errors
Half Day Preschool 3 yrs	-	-	-	-	-	-
Full Day Preschool 3 yrs	-	-	-	-	-	-
Half Day Preschool 4 yrs	-	-	-	-	-	-
Full Day Preschool 4 yrs			-	-	-	-
Half Day Kindergarten			-	-	-	-
Full Day Kindergarten	23.0	23.0	-	9.0	9.0	-
Grade 1	8.0	8.0	-	3.0	3.0	-
Grade 2	11.0	11.0	-	4.0	4.0	-
Grade 3	10.0	10.0	-	4.0	4.0	-
Grade 4	8.0	8.0	-	3.0	3.0	-
Grade 5	6.0	6.0	-	2.0	2.0	-
Grade 6	5.0	5.0	-	2.0	2.0	-
Grade 7	5.0	5.0	-	2.0	2.0	-
Grade 8	8.0	8.0	-	3.0	3.0	-
Grade 9	4.0	4.0	-	2.0	2.0	-
Grade 10	9.0	9.0	-	3.0	3.0	-
Grade 11	10.0	10.0	-	4.0	4.0	-
Grade 12	12.0	12.0	-	5.0	5.0	-
Adult School						
Subtotal	119.0	119.0	-	46.0	46.0	-
Special Ed - Elementary	6.0	6.0	-	2.0	2.0	-
Special Ed - Middle	1.0	1.0	-	-	-	-
Special Ed - High	2.0	2.0	-	1.0	1.0	-
Subtotal	9.0	9.0	-	3.0	3.0	-
Totals	128.0	128.0	-	49.0	49.0	-
Percentage Error			0.00%			0.00%

**HACKENSACK BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

SECTION 1A - Four Percent (4%) - Calculation of Excess surplus

2020-2021 Total General Fund Expenditures per the CAFR	\$ 131,562,316
Increased by:	
Transfer Out - Special Revenue Fund - Preschool Program/Student Activities	789,652
Decreased by:	
On-Behalf TPAF Pension & Social Security	21,403,879
Assets Acquired Under Capital Leases	-
Adjusted 2020-2021 General Fund Expenditures	<u>\$ 110,948,089</u>
4% of Adjusted 2020-2021 General Fund Expenditures	\$ 4,437,924
Allowable Adjustment - Unbudgeted Extraordinary Aid	<u>983,459</u>
Maximum Unreserved/Undesignated Fund Balance	<u>\$ 5,421,383</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2021	\$ 29,253,714
Decreased by:	
Reserved for Encumbrances	1,210,158
Other Reserved Fund Balances - Capital Reserve	7,771,711
Other Rerved Fund Balance - Maintenance Reserve	2,010,863
Other Reserved Fund Balance - Emergency Reserve	300,030
Other Reserved Fund Balance - Unemployment Compensation	802,810
Excess Surplus - Designated for Subsequent Year's Expenditures	3,721,630
Assigned - FFCRA/SEMI	20,230
Assigned - Designated for Subsequent Year's Expenditures	<u>4,577,161</u>
Total Unreserved/Undesignated Fund Balance	<u>\$ 8,839,121</u>

SECTION 3

Reserved Fund Balance - Excess Surplus	<u>\$ 3,417,738</u>
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Recapitulation of Excess Surplus as of June 30, 2021

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 3,721,630
Reserved Excess Surplus	<u>3,417,738</u>
Total	<u>\$ 7,139,368</u>

**HACKENSACK BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Procedures be revised to ensure all contracts are encumbered when awarded by the District.
2. All vendor payments from the ESIP project account be included on the bills list presented to the Board for their approval prior to payment.

III. School Purchasing Program

- * 3. It is recommended that continued efforts be made over purchasing procedures to ensure all contract awards and purchases that exceed the bid and quote thresholds are procured in accordance with the requirements of the Public School Contracts Law and State procurement regulations. In addition, documentation be maintained on file to support the District's awards pursuant to State contracts and cooperative purchasing agreements

IV. School Food Service

There are none.

V. Student Body Activities

It is recommended that:

- * 4. Pre-numbered receipt tickets be utilized for all monies collected in the student activity accounts.
- 5. Vouchers or checks request forms be properly approved prior to payment in the High School Athletic and Varsity Club accounts.

**HACKENSACK BOARD OF EDUCATION
RECOMMENDATIONS**

VI. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

There are none.

X. Miscellaneous

There are none.


XI. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all, except those recommendations 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.

Respectfully submitted,
LERCH, VINCI & HIGGINS, LLP



Jeffrey C. Bliss
Public School Accountant
Certified Public Accountant