

**NORTH BERGEN BOARD OF EDUCATION
INDEPENDENT AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2021**

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

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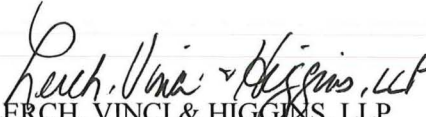
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Honorable President and Members
of the Board of Education
North Bergen Board of Education
North Bergen, New Jersey

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, 2021, and have issued our report thereon dated March 10, 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 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
March 10, 2022

**NORTH BERGEN 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 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	\$600,000
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 (2021-01) – 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, 2021**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

Finding (2021-02) – Our audit of the net payroll and payroll agency bank reconciliations noted that the reconciliations were not in agreement with the cash reported in the general ledger or with the amounts reported in the payroll/agency deduction ledger.

Recommendation – Procedures be reviewed to ensure that the general ledger balances for net payroll and payroll agency agree with the monthly bank reconciliations. Furthermore, the payroll/agency deduction ledger be in agreement with the monthly bank reconciliations.

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 (2021-03) – Our audit of encumbrances noted several purchase orders that did not meet the criteria for an encumbrance.

Recommendation – All open purchase orders be reviewed prior to the year end close to ensure that balances are properly stated.

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 (2021-04) – The District maintains a transportation bank account to process aid in lieu payment checks. At June 30, 2021, the District's transportation bank account had a cash balance of \$110,151. This account balance was not recorded in the District's financial reports and was not included in the monthly Board Secretary's report.

Recommendation – The transportation bank account transactions be included in the District's monthly financial reports.

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

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records (Continued)

Finding (2021-05) – The original budget for the Special Revenue Fund in the District’s accounting software was not in agreement with the State budget document. In addition, the modified budget of the General Fund could not be reconciled with the original budget, prior year encumbrances and other approved budget appropriations.

Recommendation – The District implement procedures to ensure that the budget as reported in the District’s accounting records agrees with the State budget document and the approved budget modifications.

Finding (2021-06) – Our audit noted several mispostings in the General Ledger and subsidiary reports between the General and Special Revenue Funds relating to FCRA/SEMI, TPAF Social Security and the prior year Preschool Education Aid receivable.

Recommendation – The District periodically review the general ledger balances to ensure that the grant revenue and receivable balances are accurately stated.

Comment – Our audit noted that a budgetary line item was overexpended at June 30, 2021. The overexpenditure was the result of an audit adjustment and therefore a recommendation is not warranted.

The District’s Internal Auditor performed all cash reconciliations.

The cash reconciliations agreed with the records of the Board Secretary.

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.

**NORTH BERGEN 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-23 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (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 \$19,600. 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.

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

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

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.

We also inquired of management about the public health emergency 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. 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 in the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

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.

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

Food Service Fund (Continued)

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. 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 (2021-07) – The June 30, 2021 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.

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.

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, 2020 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 exceptions noted. The information on the workpapers was verified with exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

Finding 2021-08 – (CAFR Finding 2021-001) – Our audit of the District's Application for State School Aid ("ASSA") noted the following:

- The ASSA reported one (1) more student than the On-Roll workpapers. In addition, we verified five (5) fewer students to the class registers.
- The Low Income workpapers reported fifteen (15) more students than the ASSA. In addition, two (2) students were not eligible on October 15, 2020.
- The LEP-Low Income workpapers reported sixty-one (61) more students than the ASSA and two (2) students were not eligible on October 15, 2020.
- The LEP-Not Low Income workpapers reported ninety-five (95) more students than the ASSA.

Recommendation – Internal procedures regarding the preparation of the ASSA be reviewed and enhanced to ensure all student counts are accurately reported.

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.

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

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2020-2021 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.

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, 2021 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, 2021

Program	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>
National School Lunch	SSO	466,675	161,269	161,269	
Breakfast	SSO	<u>466,675</u>	<u>161,269</u>	<u>161,269</u>	<u>-</u>
TOTAL		<u>933,350</u>	<u>322,538</u>	<u>322,538</u>	<u>-</u>

**NORTH BERGEN BOARD OF EDUCATION
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Current Assets

Cash and Cash Equivalents	\$	516,928
Due from Other Funds		641,584
Due from Other Governments		448,457
		1,606,969

Current Liabilities

Less:		
Accounts Payable		(242,994)

Net Cash Resources	\$	1,363,975
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Adjusted Total Operating Expense:

Total Operating Expenses	\$	2,567,242
Less Depreciation		(6,456)
Adjusted Total Operating Expense	\$	2,560,786

<u>Average Monthly Operating Expense:</u>	\$	256,079
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<u>Three Times Monthly Average:</u>	\$	768,236
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Total Net Cash Resources	\$	1,363,975
Three Times Monthly Average		768,236

Amount Above Allowable Net Cash Resources	\$	595,739
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**NORTH BERGEN 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				
Full Day Preschool 4 yrs	164		164		-	-	164		157		7	-				
Full Day Kindergarten	461		461		-	-	19		19		-	-				
Grade 1	453		453		-	-	62		62		-	-				
Grade 2	402		402		-	-	98		98		-	-				
Grade 3	412		412		-	-	25		25		-	-				
Grade 4	463		463		-	-	37		37		-	-				
Grade 5	457		457		-	-	59		59		-	-				
Grade 6	490		490		-	-	149		150		(1)	-				
Grade 7	461		461		-	-	23		23		-	-				
Grade 8	481		481		-	-	71		71		-	-				
Grade 9	552		552		-	-	552		555		(3)	-				
Grade 10	496		496		-	-	496		495		1	-				
Grade 11	429		429		-	-	429		430		(1)	-				
Grade 12	477		477		-	-	477		477		-	-				
Subtotal	6,198	-	6,198	-	-	-	2,661	-	2,658	-	3	-	-	-	-	-
Special Ed - Elementary	501		501		-	-	52		53		(1)	-	5	6	6	-
Special Ed - Middle	230		230		-	-	46		46		-	-	7	6	6	-
Special Ed - High	385		384		1	-	384		381		3	-	18	14	14	-
Subtotal	1,116	-	1,115	-	1	-	482	-	480	-	2	-	30	26	26	-
Totals	7,314	-	7,313	-	1	-	3,143	-	3,138	-	5	-	30	26	26	-
Percentage Error	<u>0.01%</u>						<u>0.16%</u>						<u>0.00%</u>			

**NORTH BERGEN 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	Reported on	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on	Reported on	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Errors
	A.S.S.A as	Workpapers as					A.S.S.A as	Workpapers as				
	Low	Low					LEP	LEP Low				
Income	Income	Low Income	Income									
Full Day Kindergarten	256	268	(12)	4	4	-	69	72	(3)	7	6	1
Grade 1	337	346	(9)	5	4	1	69	71	(2)	7	7	-
Grade 2	303	309	(6)	5	5	-	68	69	(1)	7	7	-
Grade 3	295	303	(8)	5	5	-	41	46	(5)	4	4	-
Grade 4	342	353	(11)	5	5	-	50	61	(11)	5	5	-
Grade 5	310	316	(6)	5	5	-	28	32	(4)	3	3	-
Grade 6	344	349	(5)	5	5	-	36	37	(1)	4	4	-
Grade 7	329	332	(3)	5	5	-	43	45	(2)	5	5	-
Grade 8	304	313	(9)	5	5	-	36	39	(3)	4	3	1
Grade 9	313	283	30	4	3	1	51	56	(5)	5	5	-
Grade 10	270	229	41	4	4	-	30	38	(8)	3	3	-
Grade 11	238	223	15	4	4	-	27	31	(4)	3	3	-
Grade 12	276	259	17	4	4	-	48	57	(9)	5	5	-
Subtotal	3,917	3,883	34	60	58	2	596	654	(58)	62	60	2
Special Ed - Elementary	340	379	(39)	5	5	-	15	17	(2)	2	2	-
Special Ed - Middle	185	185	-	3	3	-	2	2	-	-	-	-
Special Ed - High	255	235	20	4	4	-	5	6	(1)	1	1	-
Subtotal	780	799	(19)	12	12	-	22	25	(3)	3	3	-
Totals	4,697	4,682	15	72	70	2	618	679	(61)	65	63	2
Percentage Error			0.32%			2.78%			-9.87%			3.08%

	Transportation					
	Reported on	Reported on	Errors	Tested	Verified	Errors
	DRTRS by DOE/County	DRTRS by District				
Reg. - Public Schools	758.0	758.0	-	45.0	45.0	-
Transported - Non - Public	-	-	-	-	-	-
Special Ed. - w/o Spec Needs	306.0	306.0	-	19.0	18.0	1.0
Special Ed - w/ Spec Needs	42.0	42.0	-	5.0	5.0	-
	1,106.0	1,106.0	-	69.0	68.0	1.0
Percentage Error			0.00%			1.45%

**NORTH BERGEN 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
Full Day Kindergarten	37	34	3	7	7	-
Grade 1	13	17	(4)	4	4	-
Grade 2	19	26	(7)	6	6	-
Grade 3	14	14	-	3	3	-
Grade 4	21	20	1	4	4	-
Grade 5	8	8	-	2	2	-
Grade 6	10	11	(1)	2	2	-
Grade 7	6	16	(10)	3	3	-
Grade 8	15	26	(11)	6	6	-
Grade 9	5	17	(12)	4	4	-
Grade 10	12	23	(11)	5	5	-
Grade 11	2	14	(12)	3	3	-
Grade 12	-	27	(27)	6	6	-
Adult School						
Subtotal	162	253	(91)	55	55	-
Special Ed - Elementary		4	(4)	1	1	-
Special Ed - Middle		-	-			-
Special Ed - High	1	1	-	-	-	-
Subtotal	1	5	(4)	1	1	-
Totals	163	258	(95)	56	56	-
Percentage Error			<u>-58.28%</u>			<u>0.00%</u>

**NORTH BERGEN BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2020-2021 Total General Fund Expenditures	\$ 132,031,387	
Decreased by:		
On-Behalf TPAF Pension & Social Security	(24,703,328)	
Adjusted 2020-2021 General Fund Expenditures	<u>\$ 107,328,059</u>	
4% of Adjusted 2020-2021 General Fund Expenditures	\$ 4,293,122	
Increased by:		
Allowable Adjustments		
Unbudgeted Extraordinary Aid	\$ 75,924	
Non Public Transportation Aid	<u>53,360</u>	
	<u>129,284</u>	
Maximum Unassigned Fund Balance		\$ 4,422,406
Total General Fund - Fund Balance at June 30, 2021 (Budgetary Basis)	\$ 45,938,748	
Decreased by:		
Encumbrances	\$ 2,095,337	
Capital Reserve	27,712,753	
Maintenance Reserve	4,412,517	
Emergency Reserve	598,500	
Excess Surplus Designated for Subsequent Year's Budget	1,408,535	
Unemployment Compensation Reserve	976,465	
Designated for Subsequent Year's Budget	<u>4,353,094</u>	
	<u>41,557,201</u>	
Total Unassigned Fund Balance		<u>4,381,547</u>
Amount Below Maximum 4% Surplus		<u>\$ (40,859)</u>
<u>Analysis of Excess Surplus</u>		
Excess Surplus Designed for Subsequent Year's Budget		<u>\$ 1,408,535</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. Procedures be reviewed to ensure that the general ledger balances for net payroll and payroll agency agree with the monthly bank reconciliations. Furthermore, the payroll/agency deduction ledger be in agreement with the monthly bank reconciliations.
- 3. All open purchase orders be reviewed prior to the year end close to ensure that balances are properly stated.
- * 4. The transportation bank account transactions be included in the District's monthly financial reports.
- 5. The District implement procedures to ensure that the budget as reported in the District's accounting records agrees with the State budget document and the approved budget modifications.
- 6. The District periodically review the general ledger balances to ensure that revenue and receivable balances are accurately stated.

III. School Purchasing Program

There are none.

IV. School Food Services

- * 7. It is recommended that 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.

V. Student Body Activities

There are none.

VI. Application for State School Aid

- 8. It is recommended that internal procedures regarding the preparation of the ASSA be reviewed and enhanced to ensure all student counts are accurately reported.

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.