

**HACKENSACK BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2022**

**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, 2022, and have issued our report thereon dated January 25, 2023.

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.

Lerch, Vinci & Bliss, LLP

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

Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 25, 2023

**HACKENSACK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 Annual Comprehensive Financial Report ("ACFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Lydia Singh	Acting Business Administrator/Board Secretary (2/1/2022 to 6/30/2022)	\$500,000
Dora E. Zeno	Interim Business Administrator/Board Secretary (7/1/2021 to 1/31/2022)	\$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.

P.L. 2020, c44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year of audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did appear to include all health benefit plans offered by the school district.

The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The District was not required to make any adjustments for the prior year.

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.

**HACKENSACK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Financial Planning, Accounting and Reporting (Continued)

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.

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 2022-1 (ACFR Finding 2022-001)** – Our audit of year end open purchase orders in the General Fund revealed certain purchase orders were not reviewed at year end for proper classification and validity. We noted numerous encumbrances which were deemed accounts payable and other which were deemed invalid at year end.

Recommendation – Procedures be revised to ensure open purchase orders are reviewed at year end for proper classification and validity and they be adjusted accordingly.

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.

**HACKENSACK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records

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

The Board Secretary's reports were presented monthly to the Board on a timely basis and were submitted to the executive county superintendent as prescribed by (N.J.S.A. 18A:17-9 and 18A:17-36).

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.

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 ACFR. This section of the ACFR 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 ACFR.

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 ACFR. This section of the ACFR 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 exceptions were noted as follows:

- **Finding 2022-2 (ACFR Finding 2022-002)** – Certain pensionable wages covered by the Teachers' Pension and Annuity Fund that were funded by the Federal ESSER III program were excluded from the calculation to reimburse the State for on behalf social security and pension contributions (NJSA 18A:66-90).

Recommendation – Procedures be reviewed and revised to ensure all federally funded TPAF pensionable salaries are included in the calculation to reimburse the State in accordance NJSA 18A:66-90.

**HACKENSACK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 \$20,200 for the 2021/2022 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 and subsequently the Acting 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.

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 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 2022-3** – We noted certain State contract and cooperative purchasing program contract award information was not on file in the District.

Recommendation – Continued efforts be made to ensure State contract and cooperative purchasing program contract award information is maintained on file in the District.

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. Governor Murphy's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

**HACKENSACK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

School Food Service (Continued)

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). SFAs could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

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.

The school food service program was selected and audited as a major federal program in accordance with Uniform Guidance.

The financial transactions and records of the school food service fund were maintained in good condition. The financial accounts and meal count records were reviewed on a test-check basis. Cash receipts and bank records were reviewed for timely deposits.

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.

The FSMC did not receive a loan in accordance with the Payroll Protection Plan.

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. Net cash resources did exceed three months average expenditures.

- **Finding 2022-4 (ACFR Findings 2022-003)** – Our audit revealed net cash resource exceeded three months of average expenditures at June 30, 2022 in the Food Service Fund.

Recommendation – The District develop a plan to eliminate the excess of net resources in the Food Service Fund.

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 (ACFR 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 ACFR.

**HACKENSACK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Student Body Activities

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

Cash receipts and cash disbursements records were maintained in good condition.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2021 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 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 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 2021-22 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.

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

- Surety bond coverage for School Business Administrator be increased to a minimum of \$550,000.
- The Debt Service Fund be closed out and excess funds transferred to General Fund.
- District transfer funds to the ESIP project to cover the encumbrances in excess of the available balance.
- The District should approve a resolution or memorandum to acknowledge that the District exceeds 130% of the statewide average for legal costs, the specific internal controls procedures implemented for the reduction of costs and to provide reasons why such procedures may not result in a reduction of costs.

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, 2022**

SCHEDULE OF MEAL COUNT ACTIVITY

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>
National School Lunch	SSO	<u>656,350</u>	<u>157,847</u>	<u>157,847</u>	<u>-</u>
	Total Lunch	<u>656,350</u>	<u>157,847</u>	<u>157,847</u>	<u>-</u>
National School Breakfast	SSO	<u>582,066</u>	<u>137,122</u>	<u>137,122</u>	<u>-</u>
	Total Breakfast	<u>582,066</u>	<u>137,122</u>	<u>137,122</u>	<u>-</u>
After School Snack	Free	<u>31,067</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total Snack	<u>31,067</u>	<u>-</u>	<u>-</u>	<u>-</u>

**HACKENSACK BOARD OF EDUCATION
FOOD SERVICE FUND
SCHEDULE OF NET CASH RESOURCES
ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

<u>Net Cash Resources:</u>	Food Service B - 4/5	
CAFR *		Current Assets
B-4	\$ 4,146,374	Cash & Cash Equiv.
B-4	397,518	Due from Other Gov'ts
B-4		Due from Other Fund
B-4		Accounts Receivable
B-4		Investments
CAFR		Current Liabilities
B-4	(232,443)	Less Accounts Payable
B-4		Less Accruals
B-4		Less Due to Other Funds
B-4	(17,140)	Less Unearned Revenue
	\$ 4,294,309	Net Cash Resources
		(A)

Net Adj. Total Operating Expense:

B-5	\$ 3,815,723	Tot. Operating Exp.	
B-5	(48,726)	Less Depreciation	
	\$ 3,766,997	Adj. Tot. Oper. Exp.	(B)

Average Monthly Operating Expense:

B / 10	\$ 376,700	(C)
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Three times monthly Average:

3 X C	\$ 1,130,100	(D)
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TOTAL IN BOX A	4,294,309
LESS TOTAL IN BOX D	(1,130,100)
NET	3,164,209
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, 2021
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 Work- papers	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	159.0		159.0		-	-	31		31								
Half Day Kindergarten					-	-											
Full Day Kindergarten	300.0		300.0		-	-	73		73								
Grade 1	280.0		280.0		-	-	62		62								
Grade 2	277.0		277.0		-	-	74		74								
Grade 3	307.0		307.0		-	-	68		68								
Grade 4	283.0		283.0		-	-	63		63								
Grade 5	235.0		235.0		-	-	235		235								
Grade 6	294.0		294.0		-	-	294		294								
Grade 7	306.0		306.0		-	-	306		306								
Grade 8	309.0		309.0		-	-	309		309								
Grade 9	367.0	4.0	367.0	4.0	-	-	367	4	367	4	-	-					
Grade 10	324.0	3.0	324.0	3.0	-	-	324	3	324	3	-	-					
Grade 11	398.0	3.0	398.0	3.0	-	-	398	3	398	3	-	-					
Grade 12	430.0	5.0	430.0	5.0	-	-	430	5	430	5	-	-					
Adult School					-	-											
Subtotal	4,269.0	15.0	4,269.0	15.0	-	-	3,034.0	15.0	3,034.0	15.0	-	-					
Special Ed - Elementary	502		502		-	-	33.00		33.00	-	-	-	16.0	12.0	12.0		-
Special Ed - Middle	232		232		-	-	15.00		15.00	-	-	-	7.0	5.0	5.0		-
Special Ed - High	313	5.0	313	5.0	-	-	20.00		20.00	-	-	-	33.0	26.0	26.0		-
Subtotal	1,047.0	5.0	1,047.0	5.0	-	-	68.0		68.0	-	-	-	56.0	43.0	43.0		-
Totals	5,316.0	20.0	5,316.0	20.0	-	-	3,102.0	15.0	3,102.0	15.0	-	-	56.0	43.0	43.0		-
Percentage Error					0.00%	0.00%					0.00%	0.00%					0.00%

**HACKENSACK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2021
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 Low Income	Workpapers as Low Income					A.S.S.A as LEP Low Income	Workpapers as LEP Low Income				
	Income	Income	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	56.0	56.0	-	1.0	1.0	-	-	-	-	-	-	-
Full Day Kindergarten	155.0	155.0	-	4.0	4.0	-	24.0	23	1.0	4.0	4.0	-
Grade 1	169.0	169.0	-	4.0	4.0	-	47.0	46	1.0	8.0	8.0	-
Grade 2	185.0	185.0	-	4.0	4.0	-	45.0	42	3.0	7.0	7.0	-
Grade 3	203.0	203.0	-	5.0	5.0	-	36.0	36	-	6.0	6.0	-
Grade 4	185.0	185.0	-	4.0	4.0	-	36.0	35	1.0	6.0	6.0	-
Grade 5	152.0	152.0	-	4.0	4.0	-	29.0	29	-	5.0	5.0	-
Grade 6	174.0	174.0	-	4.0	4.0	-	14.0	14	-	2.0	2.0	-
Grade 7	161.0	161.0	-	4.0	4.0	-	18.0	16	2.0	3.0	3.0	-
Grade 8	159.0	159.0	-	4.0	4.0	-	16.0	16	-	3.0	3.0	-
Grade 9	179.0	179.0	-	4.0	4.0	-	30.0	28	2.0	5.0	5.0	-
Grade 10	194.0	194.0	-	5.0	5.0	-	17.0	17	-	3.0	3.0	-
Grade 11	213.0	213.0	-	5.0	5.0	-	19.0	19	-	3.0	3.0	-
Grade 12	249.0	249.0	-	4.0	4.0	-	23.0	23	-	4.0	4.0	-
Subtotal	2,434.0	2,434.0	-	56.0	56.0	-	354.0	344.0	10.0	59.0	59.0	-
Special Ed - Elementary	311.0	311.0	-	7.0	7.0	-	19.0	15	4.0	3.0	3.0	-
Special Ed - Middle	169.0	169.0	-	4.0	4.0	-	9.0	9	-	2.0	2.0	-
Special Ed - High	162.0	162.0	-	4.0	4.0	-	3.0	3	-	1.0	1.0	-
Subtotal	642.0	642.0	-	15.0	15.0	-	31.0	27.0	4.0	6.0	6.0	-
Sent Priv Sch Disabled			-									
Sent to RDS			-									
Sent To CSSD			-									
Totals	3,076.0	3,076.0	-	71.0	71.0	-	385.0	371.0	14.0	65.0	65.0	-
Percentage Error			-						0.0			

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	283.0	283.0	-	46.0	46.0	-
Transported - Non - Public			-			-
Special Ed. - w/o Spec Needs	16.0	16.0	-	3.0	3.0	-
Special Ed - w/ Spec Needs	132.0	132.0	-	22.0	22.0	-
	<u>431.0</u>	<u>431.0</u>	<u>-</u>	<u>71.0</u>	<u>71.0</u>	<u>-</u>
Percentage Error			0%			0%

**HACKENSACK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2021
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	32.0	31.0	1.0	5.0	5.0	-
Grade 1	24.0	22.0	2.0	4.0	4.0	-
Grade 2	27.0	26.0	1.0	4.0	4.0	-
Grade 3	17.0	17.0	-	3.0	3.0	-
Grade 4	27.0	27.0	-	4.0	4.0	-
Grade 5	15.0	15.0	-	2.0	2.0	-
Grade 6	20.0	20.0	-	4.0	4.0	-
Grade 7	15.0	15.0	-	3.0	3.0	-
Grade 8	9.0	9.0	-	2.0	2.0	-
Grade 9	27.0	27.0	-	4.0	4.0	-
Grade 10	21.0	21.0	-	3.0	3.0	-
Grade 11	25.0	25.0	-	4.0	4.0	-
Grade 12	29.0	29.0	-	5.0	5.0	-
Adult School						
Subtotal	288.0	284.0	4.0	47.0	47.0	-
Special Ed - Elementary	9.0	9.0	-	2.0	2.0	-
Special Ed - Middle	4.0	4.0	-	2.0	2.0	-
Special Ed - High	5.0	5.0	-	2.0	2.0	-
Subtotal	18.0	18.0	-	6.0	6.0	-
Totals	306.0	302.0	4.0	53.0	53.0	-

Percentage Error

1.31%

0.00%

**HACKENSACK BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

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

2021-2022 Total General Fund Expenditures per the CAFR	\$ 145,326,068
Increased by:	
Transfer Out - Special Revenue Fund - Preschool Program/Student Activities	575,509
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>27,505,754</u>
Adjusted 2021-2022 General Fund Expenditures	<u>\$ 118,395,823</u>
4% of Adjusted 2021-2022 General Fund Expenditures	\$ 4,735,833
Allowable Adjustment - Unbudgeted Extraordinary Aid	<u>522,970</u>
Maximum Unreserved/Undesignated Fund Balance	<u>\$ 5,258,803</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2022	\$ 33,665,629
Decreased by:	
Reserved for Encumbrances	3,314,664
Other Reserved Fund Balances - Capital Reserve	10,322,463
Other Reserved Fund Balance - Maintenance Reserve	2,285,762
Other Reserved Fund Balance - Emergency Reserve	300,263
Other Reserved Fund Balance - Unemployment Compensation	963,620
Excess Surplus - Designated for Subsequent Year's Expenditures	3,417,738
Assigned - Designated for Subsequent Year's Expenditures	<u>4,900,130</u>
Total Unreserved/Undesignated Fund Balance	<u>\$ 8,160,989</u>

SECTION 3

Reserved Fund Balance - Excess Surplus	<u>\$ 2,902,186</u>
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Recapitulation of Excess Surplus as of June 30, 2022

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 3,417,738
Reserved Excess Surplus	<u>2,902,186</u>
Total	<u>\$ 6,319,924</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 open purchase orders are reviewed at year end for proper classification and validity and they be adjusted accordingly.
2. Procedures be reviewed and revised to ensure all federally funded TPAF pensionable salaries are included in the calculation to reimburse the State in accordance NJSA 18A:66-90.

III. School Purchasing Program

3. It is recommended that continued efforts be made to ensure State contract and cooperative purchasing program contract award information is maintained on file in the District.

IV. School Food Service

4. It is recommended that the District develop a plan to eliminate the excess of net resources in the Food Service Fund.

V. Student Body Activities

There are none.

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.

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 & BLISS, LLP



Jeffrey C. Bliss
Public School Accountant
Certified Public Accountant