

**PASSAIC VALLEY REGIONAL
HIGH SCHOOL DISTRICT NO. 1
BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2022**

**PASSAIC VALLEY BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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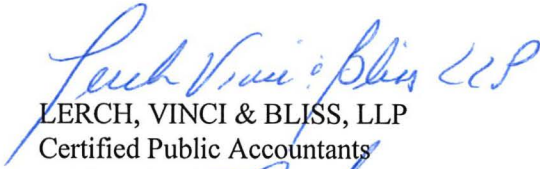
Honorable President and Members
of the Board of Trustees
Passaic Valley Regional High School
District No. 1 Board of Education
Little Falls, New Jersey

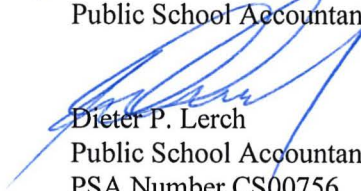
We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Passaic Valley Regional High School District No. 1 Board of Education as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated February 9, 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 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.

Respectfully submitted,


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
February 9, 2022

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 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 the insurance schedule (Exhibit J-20) contained in the District's Comprehensive Annual Financial Report (the "CAFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Colin Monahan	Business Administrator / Board Secretary	\$ 250,000

There is a Public Employees' Faithful Performance Blanket Position Bond with the Insurance Corp of Hanover covering all other employees with multiple coverage of \$500,000.

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.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any significant discrepancies with respect to signatures, 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 deposited in the Payroll Agency Account.

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

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholdings due to the General Fund.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 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 (Continued)

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrator) to the NJ Department of Treasury was filed.

Finding 2022-001 – Payroll deposits are not being done in exact amounts, leading to excess balances in the Net Payroll account and insufficiencies in the agency account.

Recommendation – Payroll deposits be made in exact amounts on a monthly basis.

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. 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.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(f) as part of our test of transactions of randomly selected expenditure items. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed, 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 satisfactory condition.

Acknowledgment of the Board's receipt of the Board Secretary's was included in the minutes.

Finding 2022-002 – Per the review of the of the District's financial records, it appears federal and state food reimbursements are being improperly posted.

Recommendation – Federal and state food service reimbursements be properly posted and recorded to the subsidiary ledgers.

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

The E.S.E.A./ESSA 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 Titles I and II of the Elementary and Secondary Education Act, as amended.

Our examination of the E.S.E.A./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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 (Schedule A) and Exhibit K-4 (Schedule B) located in the ACFR.

Our examination of the Federal and State funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits contained herein represent a true statement of the financial position pertaining to the aforementioned special projects.

I.D.E.A. Part B

Separate accounting records were maintained for each approved project. Grant application approvals and acceptance of grant funds were made by Board resolution.

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 the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a qualified purchasing agent) and \$32,000 (without a qualified purchasing agent), respectively. The law regulating bidding for public school transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,600. The Board has designated the business administrator as the qualified purchasing agent and approved increasing the bid threshold to \$44,000.

The district 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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

School Purchasing Programs (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 N.J.S.A. 18A:18A-10,, 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.

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 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.

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 not selected as a major federal or state program. However, the program expenditures exceeded \$100,000 in federal support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. Exceptions were not noted.

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. Exceptions were not noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

We 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 costs 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 and records of the school food service fund were reviewed on a test basis.

The district utilized 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 Cost Reimbursable Fixed Price contract were reviewed and audited. The FSMC contract does not include an operating results provision. Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the costs of food and supplies used.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

School Food Service (Continued)

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.

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

USDA Food Distribution Program (food and/or commodities) were received during the year.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section B of the ACFR.

Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursement records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds (Exhibits B4-B6).

Net cash resources do not exceed three months average expenditures.

The District contracted with Pomptonian, Inc. to manage the operations of the school food service program and deposited funds in accordance with applicable state statutes.

The Food Service Management Contract includes an operating results provision which guarantees that the food services program will return a profit of at least \$5,000. The operating results have been met.

Student Body Activities

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

Cash receipts and 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 disabled related services 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 isolated exceptions. The information that was included on the workpapers was verified without 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 had adequate written procedures for the recording of student enrollment data.

Pupil Transportation

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

Our procedures 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.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

Miscellaneous

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 Prior Year Findings

In accordance with government standards, our procedures included a review of all prior year recommendations. Corrective action was taken on all prior year recommendations.

Suggestion to Management

- Municipal Tax Levy Overpayment in the amount of \$727,829 be reviewed and cleared of record.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 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

NOT APPLICABLE

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
FOOD SERVICE FUND
SCHEDULE OF NET CASH RESOURCES
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Net Cash Resources:</u>		Food Service	
CAFR	*	Current Assets	
B-4		Cash	\$ 24,677
B-4		Intergovernmental Receivables	58,977
B-4		Accounts Receivable	1,008
B-4		Due from Other Funds	60,832
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(66,157)
B-4		Less Due to Other Funds	
B-4		Less Unearned Revenue	(2,839)
		Net Cash Resources	\$ 76,498 (A)
 <u>Net Adj. Total Operating Expense:</u>			
B-5		Total Operating Expenses	\$ 676,424
B-5		Less Depreciation	(9,539)
		Adj. Tot. Oper. Exp.	\$ 666,885 (B)
 <u>Average Monthly Operating Expense:</u>			
		B / 10	\$ 66,689 (C)
 <u>Three times monthly Average Operating Expense:</u>			
		3 X C	\$ 200,066 (D)

TOTAL IN BOX A	\$	76,498
LESS TOTAL IN BOX D	\$	(200,066)
NET	\$	(123,568)

Net Cash Resources Did Not Exceed Three Months Expenditures.

**PASSAIC VALLEY REGIONAL BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID (A.S.S.A.)
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2021**

	2021-22 Application for State School Aid						Sample for Verification						Private Schools for Disabled				
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool - 3 years																	
Half Day Preschool - 4 years																	
Half Day Kindergarten																	
Full Day Kindergarten																	
1st Grade																	
2nd Grade																	
3rd Grade																	
4th Grade																	
5th Grade																	
6th Grade																	
7th Grade																	
8th Grade					-	-											
9th Grade	206		206		-	-	206		206								
10th Grade	212		212		-	-	212		212								
11th Grade	168		168		-	-	168		168								
12th Grade	218		218		-	-	218		218								
Subtotal	804	-	804	-	-	-	804	-	804	-	-	-	-	-	-	-	-
Spec Ed - Elementary																	
Spec Ed - Middle School																	
Spec Ed - High School	205		205		-	-	205		205				19	16	16		-
Subtotal	205	-	205	-	-	-	205	-	205	-	-	-	19	16	16	-	-
Totals	1,009	-	1,009	-	-	-	1,009	-	1,009	-	-	-	19	16	16	-	-
Percentage Error					<u>0.00%</u>	<u>0.00%</u>						<u>0.00%</u>					<u>0.00%</u>

**PASSAIC VALLEY REGIONAL BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID (A.S.S.A.)
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2021**

	Resident Low Income			Sample for Verification			Resident LEP 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 Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	
Half Day Pre-School (3 Yrs)													
Half Day Pre-School (4 Yrs)													
Half Day Kindergarten													
Full Day Kindergarten													
1st Grade													
2nd Grade													
3rd Grade													
4th Grade													
5th Grade													
6th Grade													
7th Grade													
8th Grade													
9th Grade		39	39	-		-	1	1	-	1	1	-	
10th Grade		60	60	-		-	1	1	-	1	1	-	
11th Grade		41	41	-		-	1	1	-	1	1	-	
12th Grade		57	57	-		-	2	2	-	1	1	-	
Subtotal		<u>197</u>	<u>197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>	
Spec Ed - Elementary													
Spec Ed - Middle School													
Spec Ed - High School		60	60	-	60	60	-	-	-	-	-	-	
Subtotal		<u>60</u>	<u>60</u>	<u>-</u>	<u>60</u>	<u>60</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Totals		<u>257</u>	<u>257</u>	<u>-</u>	<u>60</u>	<u>60</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>		<u>0.00%</u>		<u>0.00%</u>		<u>0.00%</u>	

	Transportation			Tested	Verified	Errors
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors			
Regular - Public Schools	531	531	-	46	46	-
Transported - Non-Public	166	48	118	4	4	-
Regular - Spec.	42	42	-	4	4	-
Special Needs - Public	20	20	-	2	2	-
Totals	<u>759</u>	<u>641</u>	<u>118</u>	<u>56</u>	<u>56</u>	<u>-</u>
		<u>15.55%</u>		<u>0.00%</u>		

**PASSAIC VALLEY REGIONAL BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID (A.S.S.A.)
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2021**

	Resident LEP Not 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 Register	Sample Errors
Half Day Pre-School (3 Yrs)						
Half Day Pre-School (4 Yrs)						
Half Day Kindergarten						
Full Day Kindergarten						
1st Grade						
2nd Grade						
3rd Grade						
4th Grade						
5th Grade						
6th Grade						
7th Grade						
8th Grade						
9th Grade	6	6	-	6	6	-
10th Grade	7	7	-	5	5	-
11th Grade	6	6	-	5	5	-
12th Grade	7	7	-	5	5	-
Subtotal	<u>26</u>	<u>26</u>	<u>-</u>	<u>21</u>	<u>21</u>	<u>-</u>
Spec Ed - Elementary						
Spec Ed - Middle School						
Spec Ed - High School	-	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u><u>26</u></u>	<u><u>26</u></u>	<u><u>-</u></u>	<u><u>21</u></u>	<u><u>21</u></u>	<u><u>-</u></u>
Percentage Error			<u><u>0.00%</u></u>			<u><u>0.00%</u></u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

2021-2022 Total General Fund Expenditures (Budgetary Basis) Per Schedule C-1 of the CAFR	\$ 36,153,836
Decreased by:	
On-Behalf TPAF Pension & Social Security	(5,260,539)
Insurance Proceeds	<u>(1,074,906)</u>
Adjusted 2021-2022 General Fund Expenditures	<u>\$ 29,818,391</u>
4% of Adjusted 2021-2022 General Fund Expenditures	<u>\$ 1,192,736</u>
Enter Greater of 4% of Adjusted 2021-2022 General Fund Expenditures or \$250,000	\$ 1,192,736
Increased by Allowable Adjustments*	<u>922,009</u>
Maximum Unassigned Fund Balance	<u>\$ 2,114,745</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2022 (Per CAFR Budgetary Comparison Schedule/Statement)	\$ 9,071,547
Decreased by:	
Restricted:	
Capital Reserve	696,529
Unemployment Compensation	167,976
Excess Surplus - Designated for Subsequent Year's Expenditures	2,190,408
Assigned:	
Designated for Subsequent Year's Expenditures	387,429
Year-End Encumbrances	<u>719,216</u>
Total Unassigned Fund Balance	<u>\$ 4,909,989</u>

SECTION 3

Restricted Fund Balance - Excess Surplus	<u>\$ 2,795,244</u>
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Recapitulation of Excess Surplus

Excess Surplus	\$ 2,795,244
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>2,190,408</u>
	<u>\$ 4,985,652</u>

*** Detail of Allowable Adjustment**

Extraordinary Aid	\$ 483,191
Nonpublic Transportation Aid Reimbursement	49,058
Maintenance of Equity Aid	<u>389,760</u>
Total Adjustments	<u>\$ 922,009</u>

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Payroll deposits be made in exact amounts on a monthly basis.
2. Federal and state food service reimbursements be properly posted and recorded to the subsidiary ledgers.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Student Body Activities

There are none.

VI. Scholarship Fund

There are none.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

There are none.

**PASSAIC VALLEY REGIONAL HIGH SCHOOL DISTRICT NO. 1 BOARD OF EDUCATION
RECOMMENDATIONS**

Status of Prior Years' Audit Findings/Recommendations

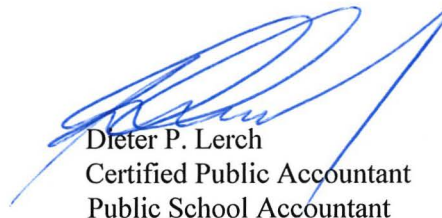
A review was performed on all prior years' recommendations and corrective action was taken on all.

ACKNOWLEDGEMENT

We received the complete cooperation from all the officials of the school district and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

LERCH, VINCI & BLISS, LLP



Dieter P. Lerch
Certified Public Accountant
Public School Accountant