

**HACKENSACK BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2023**

**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, as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated November 17, 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
November 17, 2023

**HACKENSACK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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	School Business Administrator/Board Secretary	\$550,000

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, 2023**

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.

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.

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.

**HACKENSACK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 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.

- **Finding 2023-1 (ACFR Finding 2023-001)** – Our audit noted employees and the funding percentages of their respective salaries charged to federal grant programs were not approved in the Board minutes.

Recommendation – Employees and their respective salaries charged to Federal grant programs be approved by Board resolution and include the grant program's funding percentages of the respective employees' salary.

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, 2023**

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 2022/2023 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 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 2023-2** – Our audit of purchases and contract awards in excess of the bid or quote threshold revealed the following as it related to compliance with the Public School Contracts Law and State procurement regulations.
- Certain vendors were paid in excess of the bid threshold that were not approved in the minutes. The method of procurement for these vendors was unknown (i.e. extraordinary unspecified services, state contract, cooperative purchase, etc.).
 - State contract and cooperative purchasing program contract award information was not on file in the District office.
 - A one-year contract extension was approved for a contract initially approved beginning in the 2017/2018 school year. This contract extension is in the sixth (6th) year of the original contract award. Per 18A:18A-42 contracts cannot be extended for more than five (5) consecutive years.

Recommendation – Continued efforts be made to improve procedures over purchasing to ensure all contract awards and purchases which exceed the bid or quote threshold are procured and approved in accordance with the requirements of the Public School Contracts Law and State procurement regulations.

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.

**HACKENSACK BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

School Food Service

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 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. Immaterial exceptions were noted for an overclaim of 525 paid breakfast meals in October 2022.

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.

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. We noted the FSMC did not receive a loan in accordance with the PPP.

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.

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. We noted the District approved and implemented a corrective action plan in 2022/2023 to eliminate the excess in net cash resources. The District indicated such plan will take more than one year to be fully implemented and to eliminate the excess in net cash resources that exists at June 30, 2023.

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, 2023**

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, 2022 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 with 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.

- **Finding 2023-3** – District workpapers with regard to the October 14, 2022 counts for resident enrollment counts (i.e. Resident Low Income, Resident LEP Low Income, Resident LEP Not Low Income) were not retained for our review. The District was able to generate resident enrollment counts, however differences were noted between the workpapers and counts reported on the ASSA, other immaterial differences were also noted.

Recommendation – The District maintain workpapers to support student counts reflected on the A.S.S.A. and they be reviewed to ensure student counts reflected on the A.S.S.A. agree with District workpapers.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2022-23 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

- Reconciling items for the supplemental year-end payroll be reflected on the respective bank reconciliations.
- The prior year tax levy receivable be reviewed and cleared of record if invalid.
- Resolutions to appropriate the withdrawal of capital reserve to the budget be specific to the amount and budget line accounts funds are being appropriated to.

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, 2023**

NOT APPLICABLE

**HACKENSACK BOARD OF EDUCATION
FOOD SERVICE FUND
SCHEDULE OF NET CASH RESOURCES
ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Net Cash Resources:</u>	Food Service B - 4/5	
CAFR *		Current Assets
B-4	\$ 3,192,868	Cash & Cash Equiv.
B-4	325,731	Due from Other Gov'ts
B-4		Due from Other Fund
B-4	239,489	Accounts Receivable
B-4		Investments
Assets Acquired Under Leases Issued		
CAFR		Current Liabilities
B-4	(344,774)	Less Accounts Payable
B-4		Less Accruals
B-4		Less Due to Other Funds
B-4	(7,412)	Less Unearned Revenue
	\$ 3,405,902	Net Cash Resources
		(A)

Net Adj. Total Operating Expense:

B-5	\$ 3,780,798	Tot. Operating Exp.	
B-5	(53,191)	Less Depreciation	
	\$ 3,727,607	Adj. Tot. Oper. Exp.	(B)

Average Monthly Operating Expense:

B / 10	\$ 372,761	(C)
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Three times monthly Average:

3 X C	\$ 1,118,283	(D)
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TOTAL IN BOX A	3,405,902
LESS TOTAL IN BOX D	(1,118,283)
NET	2,287,619

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, 2022
SCHEDULE OF AUDITED ENROLLMENTS**

	2023-2024 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	164		164		-	-	64		64	-	-	-	-	-	-	-
Half Day Kindergarten					-	-					-	-	-	-	-	-
Full Day Kindergarten	273		273		-	-	75		75	-	-	-	-	-	-	-
Grade 1	290		290		-	-	71		71	-	-	-	-	-	-	-
Grade 2	251		251		-	-	54		54	-	-	-	-	-	-	-
Grade 3	250		250		-	-	61		61	-	-	-	-	-	-	-
Grade 4	305		305		-	-	64		64	-	-	-	-	-	-	-
Grade 5	255		255		-	-	255		255	-	-	-	-	-	-	-
Grade 6	226		226		-	-	226		226	-	-	-	-	-	-	-
Grade 7	297		297		-	-	297		297	-	-	-	-	-	-	-
Grade 8	289	-	289		-	-	289		289	-	-	-	-	-	-	-
Grade 9	347	7	354	1	(7)	6	354	1	354	-	-	-	-	-	-	1
Grade 10	375	6	375	2	-	4	375	2	375	-	-	-	-	-	-	2
Grade 11	329	4	330	1	(1)	3	330	1	330	-	-	-	-	-	-	1
Grade 12	381	-	381	-	-	-	381	-	380	-	-	1	-	-	-	-
Adult School					-	-				-	-	-	-	-	-	-
Subtotal	4,032	17	4,040	4	(8)	13	2,896	4	2,895	-	-	1	-	-	-	4
Special Ed - Elementary	543		543		-	-	92		92	-	-	-	16	5	5	-
Special Ed - Middle	221		221		-	-	221		221	-	-	-	16	5	5	-
Special Ed - High	290	5	291	-	(1)	5	291	-	291	-	-	-	37	11	11	-
Subtotal	1,054	5	1,055	-	(1)	5	604	-	604	-	-	-	69	21	21	-
Totals	5,086	22	5,095	4	(9)	18	3,500	4	3,499	-	-	1	69	21	21	-
Percentage Error					-0.18%	81.82%					0.03%	100.00%				0.00%

**HACKENSACK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2022
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				
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	158	145	13	4	4	-	39	38	1	7	7	-
Grade 1	186	174	12	5	5	-	42	39	3	6	6	-
Grade 2	154	194	(40)	3	3	-	45	31	14	6	6	-
Grade 3	154	157	(3)	5	5	-	49	45	4	8	8	-
Grade 4	194	191	3	5	4	1	37	28	9	5	5	-
Grade 5	182	165	17	4	4	-	30	24	6	4	3	1
Grade 6	148	153	(5)	4	4	-	30	15	15	2	2	-
Grade 7	179	189	(10)	4	3	1	26	19	7	3	2	1
Grade 8	178	187	(9)	4	3	1	25	16	9	3	3	-
Grade 9	177	195	(18)	4	4	-	23	26	(3)	3	3	-
Grade 10	173	190	(17)	4	3	1	37	38	(1)	6	4	2
Grade 11	157	168	(12)	4	4	-	28	21	7	3	3	-
Grade 12	157	138	19	4	4	-	24	22	2	4	4	-
Subtotal	2,197	2,246	(50)	54	50	4	435	362	73	60	56	4
Special Ed - Elementary	370	354	16	9	9	-	27	32	(5)	3	3	-
Special Ed - Middle	171	165	6	4	3	1	12	-	12	-	-	-
Special Ed - High	163	173	(10)	4	4	-	5	3	2	1	1	-
Subtotal	704	692	12	17	16	1	44	35	9	4	4	-
Totals	2,901	2,938	(38)	71	66	5	479	397	82	64	60	4
Percentage Error			-1.29%			7.04%			17.12%			6.25%

	Transportation					
	Reported on	Reported on	Errors	Tested	Verified	Errors
	DRTRS by DOE/County	DRTRS by District				
Reg. - Public Schools	284	284	-	38	38	-
Transported - Non - Public	-	-	-	-	-	-
Special Ed. - w/o Spec Needs	23	23	-	3	2	1
Special Ed - w/ Spec Needs	160	160	-	22	22	-
	467	467	-	63	62	1
Percentage Error			0.00%			1.59%

**HACKENSACK BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2022
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	20	13	7	4	4	-
Grade 1	17	16	1	5	5	-
Grade 2	15	17	(2)	6	6	-
Grade 3	27	23	4	7	7	-
Grade 4	18	9	9	3	3	-
Grade 5	12	7	5	2	2	-
Grade 6	13	6	7	2	2	-
Grade 7	13	7	6	2	2	-
Grade 8	9	7	2	2	2	-
Grade 9	14	6	8	2	2	-
Grade 10	28	15	13	5	5	-
Grade 11	16	17	(1)	6	6	-
Grade 12	17	14	3	5	5	-
Adult School						
Subtotal	<u>219</u>	<u>157</u>	<u>62</u>	<u>51</u>	<u>51</u>	<u>-</u>
Special Ed - Elementary	9	13	(4)	4	4	-
Special Ed - Middle	3	-	3	-	-	-
Special Ed - High	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Subtotal	<u>14</u>	<u>14</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>-</u>
Totals	<u>233</u>	<u>171</u>	<u>62</u>	<u>56</u>	<u>56</u>	<u>-</u>
Percentage Error			<u>26.61%</u>			<u>0.00%</u>

**HACKENSACK BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

SECTION 1A - Four Percent (2%) - Calculation of Excess surplus

2022-2023 Total General Fund Expenditures per the CAFR	\$ 160,567,201
Increased by:	
Transfer Out - Special Revenue Fund - Preschool Program/Student Activities	767,282
Decreased by:	
On-Behalf TPAF Pension & Social Security	27,667,210
Assets Acquired Under Leases Issued	<u>1,195,080</u>
Adjusted 2022-2023 General Fund Expenditures	<u>\$ 132,472,193</u>
2% of Adjusted 2022-2023 General Fund Expenditures	\$ 2,649,444
Allowable Adjustment - Unbudgeted Extraordinary Aid	<u>709,742</u>
Maximum Unreserved/Undesignated Fund Balance	<u>\$ 3,359,186</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2023	\$ 33,421,658
Decreased by:	
Year-End Encumbrances	7,010,170
Other Restricted Fund Balances - Capital Reserve	6,079,679
Other Restricted Fund Balance - Maintenance Reserve	2,807,095
Other Restricted Fund Balance - Emergency Reserve	304,710
Other Restricted Fund Balance - Unemployment Compensation	983,475
Excess Surplus - Designated for Subsequent Year's Expenditures	2,902,186
Assigned - Designated for Subsequent Year's Expenditures	<u>7,320,595</u>
Total Unreserved/Undesignated Fund Balance	<u>\$ 6,013,748</u>

SECTION 3

Restricted Fund Balance - Excess Surplus	\$ <u>2,654,562</u>
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Recapitulation of Excess Surplus as of June 30, 2023

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 2,902,186
Restricted Excess Surplus	<u>2,654,562</u>
Total	<u>\$ 5,556,748</u>

**HACKENSACK BOARD OF EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

RECOMMENDATIONS

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

1. It is recommended that employees and their respective salaries charged to Federal grant programs be approved by Board resolution and include the grant program's funding percentages of the respective employees' salary.

III. School Purchasing Program

- * 2. It is recommended that continued efforts be made to improve procedures over purchasing to ensure all contract awards and purchases which exceed the bid or quote threshold are procured and approved in accordance with the requirements of the Public School Contracts Law and State procurement regulations.

IV. School Food Service

There are none.

V. Student Body Activities

There are none.

VI. Application for State School Aid

3. It is recommended that the District maintain workpapers to support student counts reflected on the A.S.S.A. and they be reviewed to ensure student counts reflected on the A.S.S.A. agree with District workpapers.

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 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 & BLISS, LLP



Jeffrey C. Bliss
Public School Accountant
Certified Public Accountant