

**JERSEY CITY PUBLIC SCHOOLS
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2023**

**JERSEY CITY PUBLIC SCHOOLS
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

AUDITOR'S MANAGEMENT REPORT

Honorable President and
Members of the Board of Education
Jersey City Public Schools
Jersey City, 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 Jersey City Public Schools as of and for the fiscal year ended June 30, 2023 and have issued our report thereon dated April 11, 2024.

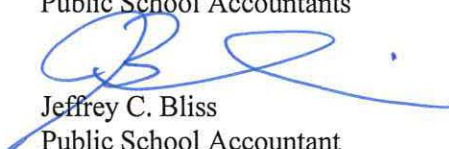
As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of Jersey City Public Schools' 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

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
April 11, 2024

**JERSEY CITY PUBLIC SCHOOLS
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 Business Administrator/Board Secretary and Board Designee for Cash Reconciliations, 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 the Schedule of Insurance contained in the Statistical Section of the District's Annual Comprehensive Financial Report (the "ACFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Dr. Dennis Frohnapfel	Acting Business Administrator/ Board Secretary	\$2,000,000
Charlotte Holowienka	Reconciliation Clerk	\$2,000,000

There is a Public Employees' Faithful Performance Blanket Bond with the New Jersey School Boards Association Insurance Group covering all other employees with multiple coverage of \$250,000.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The District made a proper adjustment, as applicable, to the billings to sending districts in accordance with N.J.A.C. 6A:23A-17.1(f)3.

P.L 2020, c. 44

Our audit procedures included an inquiry and subsequent review of health benefits data required per N.J.S.A. 18A:16-3.3 (Chapter 44) submitted for the year of audit. The Chapter 44 summary report was reviewed for reasonableness.

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, certification or supporting documentation.

**JERSEY CITY PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Planning, Accounting and Reporting (Continued)

Payroll/Personnel

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.

- **Finding 2023-01** – Our audit indicated that deposits into the payroll salary and payroll escrow bank accounts were not made in the total required amounts as reflected on the respective payroll register reports. Rather, transfers were made into these accounts as the individual payments were being made from the respective payroll account.

Recommendation – Payroll transfers be made into the Salary and Salary Escrow accounts for the total amount required for each individual pay period as reflected on the respective payroll register reports.

- **Finding 2023-02 (ACFR Finding 2023-001)** – Our audit indicated that the District's year-end balance available for amounts due related to employee payroll deductions and withholdings, as reflected on the general ledger, were in a negative position.

Recommendation – Internal controls over general ledger reporting of transactions related to employee payroll deductions and withholdings be reviewed and enhanced to ensure balances accurately reflect amounts due.

- **Finding 2023-03** – Our audit indicated that the required certification of payrolls by the President of the Board, Board Secretary/Business Administrator and Chief School Administrator were not able to be provided for audit.

Recommendation – Payrolls be certified by the President of the Board, Board Secretary/Business Administrator and Chief School Administrator and such certifications be maintained and made available for audit.

- **Finding 2023-04 (ACFR Finding 2023-002)**– Our audit indicated that a report of the value of the liability for accumulated sick and vacation time accrued by employees at year-end was not maintained by the District.

Recommendation – A report of the value of the liability for accumulated sick and vacation time accrued by employees at year-end be maintained and be provided for audit.

Payroll/Personnel (Continued)

The District filed the required certification (E-CERT1) of compliance with requirements for income tax compensation of certain administrators with the NJ Department of Treasury.

Employee Position Control Roster

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

**JERSEY CITY PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Planning, Accounting and Reporting (Continued)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered to determine 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 2023-05 (ACFR Finding 2023-003)** – Our audit indicated numerous purchase order balances classified as reserved for encumbrances at year-end were either invalid and should have been cancelled or were for goods/services related to the 2022-23 fiscal year and should have been reported as accounts payable.

Recommendation – Open purchase orders be reviewed at year-end to ensure the validity of balances and for proper classification as either accounts payable or reserved for encumbrance.

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 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 specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3.

Travel

The Board of Trustees has adopted a travel policy that complies with N.J.S.A. 18A:11-12.

Board Secretary's Records

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

The prescribed contractual order system was followed.

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

Acknowledgement of the Board's receipt of the Board Secretary and Treasurer's monthly financial reports was included in the minutes. The monthly certification of the availability of line item appropriations and fund balances were also approved.

**JERSEY CITY PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records (Continued)

The Board Secretary's and Treasurer's monthly reports were presented 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.

- **Finding 2023-06** – Our audit indicated several asset and liability balances reported on the general ledger relate to previous years were unable to be substantiated by the District and appear to no longer be valid rights or obligations of the District.

Recommendation – The general ledger be reviewed on an ongoing basis to ensure that asset and liability balances reflect current rights and obligations of the District.

- **Finding 2023-07** – Our audit indicated that the District did not obtain an actuarial report with respect to a calculation of Incurred But Not Reported (IBNR) claims pertaining to the self-insurance workers' compensation plan.

Recommendation – The District obtain an actuary report with respect to Incurred But Not Reported (IBNR) claims for the self-insured workers compensation plan.

Cash Reconciliations

The Board designee did perform cash reconciliations for all accounts required.

All cash receipts were promptly deposited.

Unemployment Compensation Insurance

The Board has adopted the direct reimbursement method and maintains an Unemployment Compensation Insurance bank account. The financial transactions related to unemployment are reported in the General Fund.

- **Finding 2023-08**– Our audit indicated that the District did not review, process or dispute unemployment claims. Quarterly reports of claims (Form B187Q) for the current and prior years, along with related invoices for amounts due, could not be provided for audit.

Recommendation – The District review the State of New Jersey quarterly reports of unemployment claims to ensure the accuracy and validity of claims and payments be made accordingly.

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 ACFR. This section of the ACFR documents the financial position pertaining to the projects under Title I, II, III, and IV of the Elementary and Secondary Education Act, as amended.

- **Finding 2023-09 (ACFR Finding 2023-005)** – Our audit of the Title I grant program indicated the following:
 - Employees and their respective salaries charged to the grant program were not always approved in the minutes.
 - Time and effort certifications were not able to be provided for employee salaries being funded by the grant program

Recommendation – Employees and their respective salaries funded by the Title I grant program be approved in the minutes. In addition, time and effort certifications be maintained and made available for audit for employee salaries funded by the Title I grant program.

**JERSEY CITY PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Planning, Accounting and Reporting (Continued)

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

The audit indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

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.

Elementary and Secondary School Emergency Relief Funds (ESSER)

- **Finding 2023-10** – Our audit of the American Rescue Plan – ESSER program indicated that the modified budget, and resulting balance available for expenditure, did not accurately reflect the amount of program funds available.

Recommendation – The District’s budget report related to the American Rescue Plan – ESSER program be reviewed to ensure that appropriations and resulting balances accurately reflect remaining program funds available.

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.

Other Special Federal and/or State Projects

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

Our audit indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

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.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year’s Final Reports 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.

Nonpublic State Aid

Project Completion Reports were finalized and transmitted to the State by the due date.

**JERSEY CITY PUBLIC SCHOOLS
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 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 \$20,200. The Board has designated the Business Administrator/Board Secretary 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.

Contracts and Agreements Requiring Advertisement for Bids (Continued)

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

- **Finding 2023-11 (ACFR Finding 2023-006)** – Our audit of District contracts subject to the provisions of the Public School Contracts Law indicated the following:
 - A vendor was paid in excess of the bid threshold without documentation to support the procurement process.
 - A professional service contract was noted which was not published subsequent to award.
 - Contract awards and purchases which exceeded the bid threshold were not approved in the minutes.

Recommendation - Internal controls over the awarding of contracts be reviewed and enhanced to ensure compliance with the Public School Contracts Law.

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.

**JERSEY CITY PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

- **Finding 2023-12 (ACFR Finding 2023-006)** – Our audit of contracts procured through the use of State contracts and cooperative purchasing agreements indicated the following:
 - Certain purchase orders and invoices for vendor payments indicated the use of a State contract. However, State contract documentation was unable to be provided for audit.
 - Per unit prices charged on vendor invoices for payment were not in agreement with the cooperative contract award documentation.

Recommendation – With respect to payments on contracts procured through the use of State contracts and cooperative purchase agreements, it is recommended that:

- Documentation to support the State contract be maintained on file and made available for audit.
 - Vendor invoices submitted for payment be reviewed to ensure that per unit prices charged agree with the cooperative contract award documentation.
- **Finding 2023-13 (ACFR Finding 2023-006)** – Our audit indicated that the District utilized a national cooperative purchasing agreement for the acquisition of laptop computers. However, the required cost-savings determination, pre-award advertisement and contract award documentation was not maintained on file and made available for audit.

Recommendation – Contracts awarded through the use of national cooperative purchasing agreements be procured in accordance with the requirements of Local Finance Notice 2012-10.

- **Finding 2023-14 (ACFR Finding 2023-006)** – Our audit indicated that notification to the State Comptroller’s office was not made for two (2) contracts, the cost of which exceeded \$2.5 million.

Recommendation – Notification to the State Comptroller’s office be made for contracts awarded in excess of \$2.5 million.

School Food Service

School Food Authority’s (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 students during the public health emergency

The school food service program was not selected as a major federal program. However, program expenditures exceeded \$100,000 in federal support. Accordingly, we inquired of school management, or appropriated school food service personnel, as to whether the SFA had any child nutrition program reimbursement overclaims or underclaims. Exceptions were not noted.

**JERSEY CITY PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

School Food Service (Continued)

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.

The Statement of Revenues, Expenditures and Changes in Net Position (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program costs of goods sold.

Net cash resources did not exceed three months' average expenditures.

CASPER Program

The financial records of the CASPER Program were accounted for in an Enterprise Fund and were maintained in good condition.

Student Body Activities

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

The financial records of the student activity accounts were maintained in satisfactory condition.

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, bilingual 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 District workpapers without exception. The information 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.

**JERSEY CITY PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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. The information on the DRTRS was verified with exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

- **Finding 2023-15** – Our audit indicated of the DRTRS indicated the following:
 - Certain students reported in the special education category did not meet the remote mileage requirement for eligibility. In addition, the student IEP’s did not reflect a transportation requirement.
 - Certain students reported in the special education with special needs category should have been reported in the special education without special needs category as the respective IEP’s did not reflect a transportation requirement. However, such individuals did meet the remote mileage requirement for transportation.

Recommendation – Internal controls over the District Report of Transported Resident Students be reviewed and enhanced to ensure only those students eligible for transportation be reported. Furthermore, such eligible students be reported in the appropriate category on the DRTRS.

Our procedures also included a review of transportation related contracts and purchases.

- **Finding 2023-16** – Our audit indicated that renewal contracts for student transportation services were not submitted to the County for review and approval in a timely manner. Certain contracts were submitted up to twelve (12) months after approval by the Board.

Recommendation – Contract renewals for student transportation services be submitted to the County for review and approval in a timely manner.

Facilities and Capital Assets

Our procedures included a review of the District’s capital assets and related depreciation as well as current capital improvement projects.

- **Finding 2023-17 (ACFR Finding 2023-004)** – Our audit indicated that the capital assets ledger was not maintained to support the cost, and related depreciation, of District owned assets.

Recommendation – The District obtain or prepare a perpetual inventory report with respect to the value of District owned capital assets and related depreciation.

**JERSEY CITY PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Testing for Lead of all Drinking Water in Educational Facilities

The school district adhered to all 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 did submit 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 recommendations, including findings.

Suggestion to Management

- The District review the local payroll taxes collected by the City of Jersey City to ensure the District is receiving the applicable amounts due.
- The District monitor the remittance of employee payroll deductions to the Internal Revenue Service through the Electronic Federal Tax Payment System.
- The District obtain a formal actuary report for the calculated Incurred But Not Reported (IBNR) claims with respect to the employee health benefit program.
- The District complete a list of all lease-purchase agreements, leases and subscription based information technology arrangement.
- Employee payroll deductions for summer savings be maintained in a separate bank account.
- The District review unexpended balances of projects reported in the Capital Projects Fund for potential expenditure and/or cancellation.
- Cancellation of CASPER program fees receivable balances be detailed and approved by the Board in the minutes.
- Consideration be given to closing the Child Study Team Enterprise Fund, which has been inactive for the current and previous year.
- Old outstanding checks in the general, payroll salary and payroll escrow account be reviewed and cancelled, where applicable.
- The surety bond of the reconciliation clerk be increased to the minimum amount required by statute for a Treasurer of School Monies.

**JERSEY CITY PUBLIC SCHOOLS
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Not Applicable

**JERSEY CITY PUBLIC SCHOOLS
FOOD SERVICE FUND
NET CASH RESOURCE SCHEDULE
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Net cash resources did exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2023**

Current Assets

Cash & Cash Equiv.	\$	5,933,580
Due from Other Gov'ts		2,691,665
Accounts Receivable		116,194

Current Liabilities

Less Accrued Salaries		(47,118)
Less Due to Other Funds		(5,014,877)
Unearned Revenue		(46,722)
Net Cash Resources	\$	<u>3,632,722</u>

Net Adjusted Total Operating Expense:

B-5	Total Operating Exp.	14,976,893
B-5	Less Depreciation	(145,346)
	Adjusted Total Operating Exp.	\$ <u>14,831,547</u>

Average Monthly Operating Expense:

\$ 1,483,155

Three times monthly Average:

\$ 4,449,464

Total Net Cash Resources	\$	3,632,722
Three Times Monthly Average	\$	4,449,464
Amount Above Allowable Net Cash Resources	\$	<u>(816,742)</u>

Net cash resources does not exceed three times monthly average expenses.

SCHEDULE OF AUDITED ENROLLMENTS

**JERSEY CITY PUBLIC SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2022**

	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 Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool																
Full Day Preschool	2,150		2,150					2,150		2,150						
Half Day Kindergarten																
Full Day Kindergarten	1,710		1,710					1,710		1,710						
One	1,740		1,740					1,740		1,740						
Two	1,697		1,697					1,697		1,697						
Three	1,515		1,515					1,515		1,515						
Four	1,550		1,550					1,550		1,550						
Five	1,536		1,536					1,536		1,536						
Six	1,431		1,431					1,431		1,431						
Seven	1,439		1,439					1,439		1,439						
Eight	1,439		1,439					1,439		1,439						
Nine	1,771		1,771					1,771		1,771						
Ten	1,512		1,512					1,512		1,512						
Eleven	1,312		1,312					1,312		1,312						
Twelve	1,305		1,305					1,305		1,305						
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	22,107		22,107					22,107		22,107						
Special Ed - Elementary	1,359		1,359					193		193			28	20	20	
Special Ed - Middle School	786		786					76		76			23	16	16	
Special Ed - High School	999		999					100		100			45	29	29	
Subtotal	3,144		3,144					369		369			96	65	65	0
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	25,251	0	25,251	0	0	0	22,476	0	22,476	0	0	0	96	65	65	0
Percentage Error					0.00%	0.00%							0.00%	0.00%		0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**JERSEY CITY PUBLIC SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2022**

	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 LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	1,068	1,068		32	32	0	168	168		23	23	
One	1,284	1,284		25	25	0	213	213		23	23	
Two	1,306	1,306		34	34	0	228	228		30	30	
Three	1,190	1,190		38	38	0	205	205		34	34	
Four	1,268	1,268		28	28	0	197	197		24	24	
Five	1,254	1,254		27	27	0	132	132		20	20	
Six	1,193	1,193		22	22	0	134	134		19	19	
Seven	1,171	1,171		19	19	0	123	123		13	13	
Eight	1,182	1,182		25	25	0	130	130		19	19	
Nine	1,165	1,165		38	38	0	152	152		29	29	
Ten	962	962		16	16	0	91	91		15	15	
Eleven	811	811		18	18	0	79	79		9	9	
Twelve	751	751		14	14	0	91	91		10	10	
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	14,605	14,605		336	336	0	1,943	1,943		268	268	
Special Ed - Elementary	1,098	1,098		20	20	0	149	149		14	14	
Special Ed - Middle	733	733		11	11	0	65	65		8	8	
Special Ed - High	809	809		11	11	0	34	34		4	4	
Subtotal	2,640	2,640		42	42	0	248	248		26	26	
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	17,245	17,245		378	378	0	2,191	2,191		294	294	
Percentage Error			0.00%			0.00%			0.00%			0.00%

Transportation

	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	1,088	1,088		371	371	0
Reg -SpEd	1,205	1,205		210	154	56
Transported - Non-Public				0	0	0
Special Ed Spec	419	419		162	145	17
Totals	2,712	2,712		743	670	73
Percentage Error			0.00%			9.83%

JERSEY CITY PUBLIC SCHOOL DISTRICT

SCHEDULE OF AUDITED ENROLLMENTS

APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2022

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	140	140	0	11	11	0
One	174	174	0	24	24	0
Two	159	159	0	26	26	0
Three	168	168	0	29	29	0
Four	146	146	0	15	15	0
Five	119	119	0	21	21	0
Six	77	77	0	17	17	0
Seven	86	86	0	15	15	0
Eight	86	86	0	16	16	0
Nine	133	133	0	14	14	0
Ten	109	109	0	11	11	0
Eleven	73	73	0	6	6	0
Twelve	98	98	0	9	9	0
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>1,568</u>	<u>1,568</u>	<u>0</u>	<u>214</u>	<u>214</u>	<u>0</u>
16 Special Ed - Elementary	77	77	0	8	8	0
Special Ed - Middle	23	23	0	4	4	0
Special Ed - High	15	15	0	1	1	0
Subtotal	<u>115</u>	<u>115</u>	<u>0</u>	<u>13</u>	<u>13</u>	<u>0</u>
Co. Voc. - Regular						0
Co. Voc. Ft. Post Sec.						0
Totals	<u>1,683</u>	<u>1,683</u>	<u>0</u>	<u>227</u>	<u>227</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**JERSEY CITY PUBLIC SCHOOLS
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2022-23 Total General Fund Expenditures Reported on Exhibit C-1		\$ 765,285,798
Increased by:		
Transfer from General Fund to Special Revenue Fund Pre-K		1,394,484
Less: Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2		
		<u>(9,030,617)</u>
Adjusted 2022-23 General Fund and Other State Expenditures		\$ 757,649,665
Decreased by:		
On-Behalf TPAF Pension & Social Security		<u>(126,873,571)</u>
2022-23 General Fund Expenditures		<u>\$ 630,776,094</u>
2% of Adjusted 2022-2023 General Fund Expenditures		\$ 12,615,522
Increased by:		
Allowable Adjustment *		<u>92,295,524</u>
Maximum Unassigned Fund Balance		<u>\$ 104,911,046</u>
Total General Fund - Fund Balance at June 30, 2023 (Budgetary Basis)		\$ 433,075,878
Decreased by:		
Reserved for Encumbrances	\$ 16,933,714	
Other Restricted Fund Balance - Capital Reserve	608	
Excess Surplus, Designated for Subsequent Year's Expenditures	63,704,750	
Assigned, Designated for Subsequent Year's Expenditures	<u>148,800,479</u>	
		<u>229,439,551</u>
Total Unassigned Fund Balance		<u>\$ 203,636,327</u>
Fund Balance - Excess Surplus		<u>\$ 98,725,281</u>
<u>Recapitulation of Excess Surplus as of June 30, 2023</u>		
Excess Surplus- Designated in Subsequent Year's Budget		\$ 63,704,750
Excess Surplus		<u>98,725,281</u>
		<u>\$ 162,430,031</u>
* <u>Detail of Allowable Adjustments</u>		
Unbudgeted Extraordinary Aid		\$ 2,870,312
Unbudgeted Supplemental Stabilization Aid		33,701,019
Unbudgeted Maintenance of Equity Aid		55,545,417
Unbudgeted Additional Nonpublic School Transportation Aid		<u>178,776</u>
Total Adjustments		<u>\$ 92,295,524</u>

JERSEY CITY PUBLIC SCHOOLS
Encumbrances
For the Fiscal Year Ended June 30, 2023

Encumbrances per the June 30, 2023 Board Secretary Report (General Fund) \$33,178,143

Description	Total by Category	Amount Properly Encumbered	Encumbrances Cancelled Through Audit Adjustments
Regular Instruction	\$ 514,934	\$ 514,934	
Special Education	8,434	8,434	
Other Instruction	175	175	
School Sponsored Co-Curricular	107,994	107,994	
Tuition	978,043	978,043	
Student Support Services	548,402	548,402	
General Administration	481,815	481,815	
School Administration	152,820	152,820	
Central Services	633,154	633,154	
Operations and Maintenance	5,830,451	2,640,215	3,190,236
Transportation	440,085	440,085	
Unallocated Benefits	5,411,326	157,628	5,253,698
Capital Outlay	11,310,111	10,270,015	1,040,096
Transfer to Charter Schools	6,760,399	-	6,760,399
	<u>33,178,143</u>	<u>16,933,714</u>	<u>16,244,429</u>

Total Encumbrances Cancelled During the Audit 16,244,429

Year End Encumbrances, June 30, 2023 (Committed and Assigned) \$ 16,933,714

JERSEY CITY PUBLIC SCHOOLS
Encumbrances
For the Fiscal Year Ended June 30, 2023

Encumbrances per the June 30, 2023 Board Secretary Report (Special Revenue Fund) \$ 3,136,278

Description	Total by Category	Amount Properly Encumbered	Encumbrances Cancelled Through Audit Adjustments
Regular Instruction	\$ 948,078	\$ 948,078	
Special Education Instruction	90,376	90,376	
Student Support Services	733,057	733,057	
Employee Benefits	1,349,407		\$ 1,349,407
Capital Outlay	15,360	15,360	-
	3,136,278	1,786,871	1,349,407

Total Encumbrances Cancelled During the Audit 1,349,407

Year End Encumbrances, June 30, 2023 \$ 1,786,871

**JERSEY CITY PUBLIC SCHOOLS
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Payroll transfers be made into the Salary and Salary Escrow accounts for the total amount required for each individual pay period as reflected on the respective payroll register reports.
2. Internal controls over general ledger reporting of transactions related to employee payroll deductions and withholdings be reviewed and enhanced to ensure balances accurately reflect amounts due.
3. Payrolls be certified by the President of the Board, Board Secretary/Business Administrator and Chief School Administrator and such certifications be maintained and made available for audit.
- * 4. A report of the value of the liability for accumulated sick and vacation time accrued by employees at year-end be maintained and be provided for audit.
5. Open purchase orders be reviewed at year-end to ensure the validity of balances and for proper classification as either accounts payable or reserved for encumbrance.
6. The general ledger be reviewed on an ongoing basis to ensure that asset and liability balances reflect current rights and obligations of the District.
- * 7. The District obtain an actuary report with respect to Incurred But Not Reported (IBNR) claims for the self-insured workers compensation plan.
- * 8. The District review the State of New Jersey quarterly reports of unemployment claims to ensure the accuracy and validity of claims and payments be made accordingly.
9. Employees and their respective salaries funded by the Title I grant program be approved in the minutes. In addition, time and effort certifications be maintained and made available for audit for employee salaries funded by the Title I grant program.
10. The District's budget report related to the American Rescue Plan – ESSER program be reviewed to ensure that appropriations and resulting balances accurately reflect remaining program funds available.

III. School Purchasing Program

It is recommended that:

11. Internal controls over the awarding of contracts be reviewed and enhanced to ensure compliance with the Public School Contracts Law.
12. With respect to payments on contracts procured through the use of State contracts and cooperative purchase agreements, it is recommended that:
 - a) Documentation to support the State contract be maintained on file and made available for audit.
 - b) Vendor invoices submitted for payment be reviewed to ensure that per unit prices charged agree with the cooperative contract award documentation.

**JERSEY CITY PUBLIC SCHOOLS
RECOMMENDATIONS**

III. School Purchasing Program (Continued)

It is recommended that:

13. Contracts awarded through the use of national cooperative purchasing agreements be procured in accordance with the requirements of Local Finance Notice 2012-10.
14. Notification to the State Comptroller's office be made for contracts awarded in excess of \$2.5 million.

IV. School Food Services

There are none.

V. CASPER Program

There are none.

VI. Student Body Activities

There are none.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

It is recommended that:

15. Internal controls over the District Report of Transported Resident Students be reviewed and enhanced to ensure only those students eligible for transportation be reported. Furthermore, such eligible students be reported in the appropriate category on the DRTRS.
16. Contract renewals for student transportation services be submitted to the County for review and approval in a timely manner.

IX. Facilities and Capital Assets

- * 17. It is recommended that the District obtain or prepare a perpetual inventory report with respect to the value of District owned capital assets and related depreciation.

X. Miscellaneous

There are none.

**JERSEY CITY PUBLIC SCHOOLS
RECOMMENDATIONS**

XI. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all other than those denoted with an asterisk (*) above.

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
PSA Number CS00932