

**NORTH BERGEN BOARD OF EDUCATION
INDEPENDENT AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2023**

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

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Honorable President and Members
of the Board of Trustees
North Bergen Board of Education
7317 Kennedy Boulevard
North Bergen, New Jersey 07047

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the North Bergen Board of Education as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated December 21, 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.

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

Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
December 21, 2023

**NORTH BERGEN 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 and Treasurer of School Moneys, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire Insurance coverage was carried in the amounts as detailed on Exhibit J-20, "Schedule of Insurance", as reported in the District's Comprehensive Annual Financial Report (the "ACFR").

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Hugo Cabrera	Board Secretary	\$600,000
Steven Somick	School Business Administrator	600,000
Thomas Tango	Treasurer of School Monies	600,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$100,000.

P.L. 2020, c.44

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 on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

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

The school district data certification was completed by the Chief School Administrator. The school district submitted the Chapter 44 data in a timely manner.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment to the billings to sending Districts for the adjustment in per pupil costs in accordance with N.J.A.C. 6:A:23.3(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not reveal any material discrepancies with respect to signature certification or supporting documentation.

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of payroll taxes were also deposited in the Payroll Account.

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

**NORTH BERGEN 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 (Continued)

Salary withholdings tested were promptly remitted to the proper agencies including employee health benefits contribution withholdings due to the General Fund. The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law respecting the reporting of compensation of certain employees.

The District maintains a personnel tracking and accounting (Position Control) system.

Finding (2023-1) – Our audit noted that the net payroll and payroll agency bank reconciliations were not in agreement with the cash reported in the general ledger and with the amounts reported in the payroll agency ledger.

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

Unemployment Compensation

The District has elected the reimbursement method for unemployment compensation. Under this method, a portion of the quarterly worker contribution is to be deposited into the District's unemployment insurance trust fund and be used to pay invoices received from the State for unemployment claims.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Finding (2023-2) – Our audit of encumbrances noted several purchase orders that did not meet the criteria for an encumbrance. Audit adjustments were made to reclassify the General Fund encumbrances to accounts payable. In addition, the District subsequently cancelled certain invalid encumbrances reported in the General and Capital Projects Funds.

Recommendation – All open purchase orders be reviewed prior to year-end to ensure that the commitments are properly reported in the District's financial reports.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(g) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition, our sample selection specifically targeted administrative coding, classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-2.4.

Board Secretary's Records

The prescribed contractual order system was followed.

Acknowledgment of the Board's receipt of the Board Secretary's and Treasurer's monthly financial reports was included in the minutes.

The District's Internal Auditor performed all cash reconciliations.

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

**NORTH BERGEN BOARD OF EDUCATION
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)

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, III Immigrant and IV of the Elementary and Secondary Education Act (E.S.E.A.), as amended and reauthorized.

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

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Exhibits K-3 and K-4 located in the 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.

Teacher's Pension and Annuity Fund (TPAF)

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

The amount of expenditures charged to the current year's Final Reports for all federal awards for the school district to reimburse the State for the TPAF/Social Security payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-23 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$20,200. The Board has designated the School Business Administrator as the qualified purchasing agent.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Board Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

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

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that purchases were made through the use of State contracts.

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

Food Service Fund

School Food Authorities (“SFA”) were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A. 18A:18A-7. The SFA’s were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18 as well as persons over 18 with disabilities as defined in the regulations.

SFA’s were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all free and reduced price meal eligible students during the emergency.

The financial transactions and statistical records of the school food services were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The district utilizes a food service management company NuWay Concessionaries and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. Provisions of the contract were reviewed. The contract includes a provision which guarantees that the food service program will have a minimum profit of \$85,000. The operating results provision has been met. All vendor discounts, rebates and credits from vendors and/or the FSMC were tracked and credited to the Food Service account and reconciled to supporting documentation.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

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

The June 30, 2023 net cash resources exceeded the three-month average of food service expenses. The District has implemented a fiscal plan which will eliminate the excess by the 2025/26 school year.

The number of meals claimed for reimbursement was compared to meal count records. As part of the claims process, the district completed edit check worksheets. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications and list of directly certified students on file times the number of operating days. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

U.S.D.A. commodities were received and an inventory was maintained on a first-in, first-out basis.

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

The District’s FSMC did provide the USDA mandated Non-Program Food Revenue tool.

Exhibits reflecting Child Nutrition Program operations are included on Exhibits B-4, B-5 and B-6 of the District’s ACFR.

Student Body Activities

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

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2023 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low-income and limited English proficient. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to District workpapers with exceptions noted. The information on the workpapers was verified with exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

Application for State School Aid (Continued)

Finding (2023-3) – Our audit of the District’s Application for State School Aid (“ASSA”) noted the following:

- Eleven (11) on-roll special education students did not have a valid I.E.P. on October 15, 2022.
- The Low Income workpapers reported thirty-nine (39) fewer students than the ASSA.
- The LEP-Low Income workpapers reported six (6) more students than the ASSA.
- The LEP-Not Low Income workpapers reported six (6) less students than the ASSA.

Recommendation – Internal procedures regarding the preparation of the Application for State School Aid be reviewed and enhanced to ensure all student counts are accurately reported.

The District maintain workpapers on the prescribed state forms or their equivalent. The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2022-2023 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Report with immaterial exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the Capital Projects Fund for consistency with recording the transfer of local funds from the general fund and awarding of contracts.

The District utilizes a third party for the preparation of its Capital Assets accounting records.

Finding (2023-4) – Our audit noted that capital asset additions were not in agreement with audited amounts. In addition, the capital asset appraisal report included depreciation on amounts reported for construction projects in progress.

Recommendation – The District’s independent appraisal report be reconciled with the District’s internal accounting records. Furthermore, projects reported as Construction In Progress not be depreciated until the project is completed.

Miscellaneous

Testing for Lead of All Drinking Water in Educational Facilities

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities. The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Follow-Up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year findings.

Suggestions to Management

- Outstanding checks and other reconciling items on the District’s bank reconciliations be reviewed and cleared of record. In addition, old class accounts in the High School activity account should be reviewed and cleared of record.
- Interfund balances at June 30, 2023 should be cleared of record.

**NORTH BERGEN BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Program	Meals Category	Meals Claimed	Meals Tested	Meals Verified	Difference
National School Lunch	Paid	69,862	28,873	28,873	
	Reduced	46,345	19,541	19,541	-
	Free	<u>343,266</u>	<u>151,573</u>	<u>151,573</u>	-
		<u>459,473</u>	<u>199,987</u>	<u>199,987</u>	-
School Breakfast	Paid	28,566	12,172	12,172	-
	Reduced	19,958	8,413	8,413	-
	Free	<u>156,992</u>	<u>71,442</u>	<u>71,442</u>	-
		<u>205,516</u>	<u>92,027</u>	<u>92,027</u>	-
Special Milk	Paid	2,295	1,129	1,129	
	Free	<u>7,739</u>	<u>3,709</u>	<u>3,709</u>	-
		<u>10,034</u>	<u>4,838</u>	<u>4,838</u>	-
After School Snacks	Free	<u>12,593</u>	<u>5,295</u>	<u>5,295</u>	-
Seamless Summer Option (SSO) Breakfast Lunch	Free	71,289			
	Free	<u>71,289</u>	-	-	-
		<u>142,578</u>	-	-	-
TOTAL		<u><u>830,194</u></u>	<u><u>302,147</u></u>	<u><u>302,147</u></u>	<u><u>-</u></u>

**NORTH BERGEN BOARD OF EDUCATION
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Current Assets

Cash and Cash Equivalents	\$ 1,171,966
Due from Other Funds	1,553,175
Due from Other Governments	<u>532,866</u>

3,258,007

Current Liabilities

Less:

Accounts Payable	<u>(704,215)</u>
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Net Cash Resources	<u><u>\$ 2,553,792</u></u>
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Adjusted Total Operating Expense:

Total Operating Expenses	\$ 3,652,101
Less Depreciation	<u>(15,007)</u>

Adjusted Total Operating Expense	<u><u>\$ 3,637,094</u></u>
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<u>Average Monthly Operating Expense:</u>	<u><u>\$ 363,709</u></u>
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<u>Three Times Monthly Average:</u>	<u><u>\$ 1,091,128</u></u>
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Total Net Cash Resources	\$ 2,553,792
Three Times Monthly Average	<u>1,091,128</u>

Amount Above Allowable Net Cash Resources	<u><u>\$ 1,462,664</u></u>
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**NORTH BERGEN BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2022**

	2022-2023 Application for State School Aid						Sample for Verification						Private Schools for Disabled				
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Reported on	Sample	Sample		
	A.S.S.A.		Workpapers				Selected from		Register		Registers		A.S.S.A. as	from			
	On Roll		On Roll		Full		On Roll		On Roll		On Roll		Private	Work-	Sample	Sample	
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	papers	Verified	Errors		
Half Day Preschool 4 yrs	149		149					149		149							
Full Day Kindergarten	439		439					35		35							
Grade 1	387		387					88		88							
Grade 2	405		405					76		76							
Grade 3	441		441					34		34							
Grade 4	408		408					26		26							
Grade 5	406		406					50		50							
Grade 6	462		462					63		63							
Grade 7	460		460					88		88							
Grade 8	510		510					19		19							
Grade 9	570		570					570		570							
Grade 10	522		522					522		522							
Grade 11	454		454					454		454							
Grade 12	481		481			-	-	481		481		-	-				
Subtotal	6,094	-	6,094	-	-	-	-	2,655	-	2,655	-	-	-	-	-	-	
Special Ed - Elementary	504		504					32		26		6		2	2	2	-
Special Ed - Middle	231		231					15		13		2		6	5	5	-
Special Ed - High	328		328			-	-	21		18		3		17	13	12	1
Subtotal	1,063	-	1,063	-	-	-	-	68	-	57	-	11	-	25	20	19	1
Totals	7,157	-	7,157	-	-	-	-	2,723	-	2,712	-	11	-	25	20	19	1
Percentage Error	<u>0.00%</u>						<u>0.40%</u>						<u>5.00%</u>				

**NORTH BERGEN BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2022**

	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 and Register	Verified to Test Score	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				
Full Day Kindergarten	317	316	1	6	6		110	110		9	9	
Grade 1	268	266	2	5	5		84	84		7	7	
Grade 2	257	256	1	5	5		74	74		6	6	
Grade 3	296	295	1	6	6		73	73		6	6	
Grade 4	290	288	2	6	6		69	69		6	6	
Grade 5	266	266		5	5		40	40		3	3	
Grade 6	290	290		6	6		50	50		4	4	
Grade 7	278	277	1	6	6		58	58		5	5	
Grade 8	295	294	1	6	6		50	50		4	4	
Grade 9	280	281	(1)	6	6		58	60	(2)	5	5	
Grade 10	234	234		5	5		51	53	(2)	4	4	
Grade 11	195	195		4	4		35	35	-	3	3	
Grade 12	187	187		4	4		38	40	(2)	3	3	-
Subtotal	3,453	3,445	8	70	70	-	790	796	(6)	65	65	-
Special Ed - Elementary	354	350	4	7	7		24	24		2	2	
Special Ed - Middle	165	158	7	3	3		4	4				
Special Ed - High	189	169	20	4	4		9	9		1	1	-
Subtotal	708	677	31	14	14	-	37	37	-	3	3	-
Training School	1	1										
Totals	4,162	4,123	39	84	84	-	827	833	(6)	68	68	-
Percentage Error			0.94%			0.00%			-0.73%			0.00%

	Transportation					
	Reported on	Reported on	Errors	Tested	Verified	Errors
	DRTRS by DOE/County	DRTRS by District				
Reg. - Public Schools	563.0	563.0		34.0	34.0	
Special Ed. - w/o Spec Needs	230.0	230.0		14.0	13.0	1.0
Special Ed - w/ Spec Needs	49.0	49.0		3.0	3.0	
	842.0	842.0	-	51.0	50.0	1.0
Percentage Error			0.00%			1.96%

**NORTH BERGEN BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2022**

	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 Worpapers	Verified to Application and Register	Errors
Full Day Kindergarten	23	23		4	4	
Grade 1	27	27		5	5	
Grade 2	33	33		6	6	
Grade 3	16	16		3	3	
Grade 4	23	23		4	4	
Grade 5	18	18		3	3	
Grade 6	21	21		4	4	
Grade 7	22	22		4	4	
Grade 8	19	19		3	3	
Grade 9	39	37	2	7	7	
Grade 10	27	25	2	5	5	
Grade 11	23	23		4	4	
Grade 12	33	31	2	6	6	
Subtotal	324	318	6	58	58	-
Special Ed - Elementary	3	3		1	1	
Special Ed - Middle	2	2				
Special Ed - High	3	3		1	1	
Subtotal	8	8	-	2	2	-
Totals	332	326	6	60	60	-
Percentage Error			1.81%			0.00%

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

2022-2023 Total General Fund Expenditures (Budgetary Basis)	\$ 147,514,289	
Decreased by:		
IT Subscription Arrangements	(1,158,015)	
On-Behalf TPAF Pension & Social Security	<u>(31,001,258)</u>	
Adjusted 2022-2023 General Fund Expenditures	<u>\$ 115,355,016</u>	
2% of Adjusted 2022-2023 General Fund Expenditures	\$ 2,307,100	
Increased by:		
Allowable Adjustments		
Unbudgeted Extraordinary Aid	\$ 24,936	
Supplemental Stabilization Aid	780,065	
Maintenance of Equity	582,465	
Non Public Transportation Aid	<u>67,080</u>	
	<u>1,454,546</u>	
Maximum Unassigned Fund Balance		\$ 3,761,646
Total General Fund - Fund Balance at June 30, 2023 (Budgetary Basis)	\$ 71,756,506	
Decreased by:		
Encumbrances	\$ 5,475,271	
Capital Reserve	49,992,311	
Maintenance Reserve	5,999,044	
Emergency Reserve	601,500	
Unemployment Compensation Reserve	978,470	
Designated for Subsequent Year's Budget	<u>4,948,345</u>	
	<u>67,994,941</u>	
Total Unassigned Fund Balance		<u>3,761,565</u>
Amount Below Maximum 2% Surplus		<u>\$ (81)</u>

**NORTH BERGEN BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

- * 1. Procedures be implemented to ensure that the general ledger cash balances for the net payroll and payroll agency accounts agree with the monthly bank reconciliations. Furthermore, the payroll agency ledger be in agreement with the monthly bank reconciliations.
- * 2. All open purchase orders be reviewed prior to the year-end to ensure that the commitments are properly reported in the District's financial reports.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Student Body Activities

There are none.

VI. Application for State School Aid

- * 3. It is recommended that internal procedures regarding the preparation of the Application for State School Aid be reviewed and enhanced to ensure all student counts are accurately reported.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

- 4. It is recommended that the District's independent appraisal report be reconciled with the District's internal accounting records. Furthermore, projects reported as Construction In Progress not be depreciated until the project is completed.

IX. Miscellaneous

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all prior year recommendations, except those denoted with an asterisk (*).

ACKNOWLEDGEMENT

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