

**SOUTH HACKENSACK BOARD OF EDUCATION  
INDEPENDENT AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2025**

**SOUTH HACKENSACK BOARD OF EDUCATION  
TABLE OF CONTENTS**

**AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS  
- FINANCIAL, COMPLIANCE AND PERFORMANCE**

|                                                                  | <b><u>Page No.</u></b> |
|------------------------------------------------------------------|------------------------|
| Report of Independent Auditor's                                  | 1                      |
| Scope of Audit                                                   | 2                      |
| Administrative Practices and Procedures                          | 2                      |
| Financial Planning, Accounting and Reporting                     | 2-4                    |
| School Purchasing Programs                                       | 5                      |
| Food Service Fund                                                | 5                      |
| Aftercare Program                                                | 5                      |
| Student Activity Fund                                            | 6                      |
| Application for State School Aid                                 | 6                      |
| Pupil Transportation                                             | 6                      |
| Testing for Lead of all Drinking Water in Educational Facilities | 6                      |
| Facilities and Capital Assets                                    | 6                      |
| Suggestions to Management                                        | 7                      |
| Schedule of Meal Count Activity – Not Applicable                 | 8                      |
| Schedule of Net Cash Resource – Not Applicable                   | 8                      |
| Schedule of Audited Enrollments                                  | 9-11                   |
| Excess Surplus Calculation                                       | 12                     |
| Recommendations                                                  | 13-14                  |



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## INDEPENDENT AUDITOR'S MANAGEMENT REPORT

Honorable President and Members  
of the Board of Education  
South Hackensack Board of Education  
1 Dyer Avenue  
South Hackensack, New Jersey 07606

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 South Hackensack Board of Education as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated November 25, 2025.

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 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  
Certified Public Accountants  
Public School Accountants

  
Gary J. Vinci  
Public School Accountant  
PSA Number CR00829

Fair Lawn, New Jersey  
November 25, 2025

**SOUTH HACKENSACK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator 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 the Insurance Schedule (Exhibit J-20) as reported in the District's Annual Comprehensive Financial Report (the "ACFR").

**Official Bonds**

| <u>Name</u> | <u>Position</u>                               | <u>Amount</u> |
|-------------|-----------------------------------------------|---------------|
| Bert Arifaj | Board Secretary/School Business Administrator | \$ 350,000    |

**Finding 2025-1** – During 2024/2025, the Treasurer was not covered under an individual surety bond.

**Recommendation** – A surety bond for the Treasurer be obtained that complies with the statutory requirements.

*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 Chapter 44 data was submitted timely.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

**Finding 2025-2** – During our review of purchasing, we noted the following:

- Several instances where the claimant signature was not present prior to payment being issued to the vendor.
- Five instances where evidence of receipt of goods was not documented on the related purchase orders.

**Recommendation** – The District should review all vouchers prior to payment to ensure that the claimant and receipt of goods signatures are obtained before vendor payments are processed.

**SOUTH HACKENSACK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

Salary withholdings were promptly remitted to proper agencies, including employee health benefit premium contributions due to the General Fund. The District completed and filed the required Certification of Compliance with Federal and State Law respecting the reporting of compensation for certain employees.

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

**Finding 2025-3** – Documentation supporting completion of the last employee payroll verification was not available for audit. As a result, we could not confirm that an employee payroll verification was performed in accordance with the statutory requirements.

**Recommendation** – Management should complete an employee payroll verification as required by NJ Department of Education.

**Finding 2025-4** – Our audit noted that a payroll agency ledger by deduction was not currently maintained by the District.

**Recommendation** – A payroll agency ledger be implemented, reviewed and in agreement with the monthly bank reconciliations.

**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 specifically targeted administrative coding classifications to determine overall reliability and compliance with NJAC 6A:23A-8.3. Our audit noted immaterial errors with the account coding of certain purchase orders.

**Year-End Encumbrances and Accounts Payable**

A review of outstanding purchase orders issued 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 year-end encumbrances. Also, a sample of the unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine whether goods were received and services were rendered, as of June 30.

**Maintenance Reserve**

The total June 30, 2025, Maintenance Reserve balance exceeded the statutory maximum which is 4% of the building's replacement value. The school district appropriated sufficient funds in 2025/26 which reduced the reserve balance below the statutory maximum. Therefore, an audit recommendation is not warranted.

**SOUTH HACKENSACK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Financial Planning, Accounting and Reporting (Continued)**

**Travel**

The Board adopted a policy in compliance with New Jersey Statutes and Administrative Code and the Office of Management and Budget Circulars

**Board Secretary's Records**

The financial records, books of account and minutes were maintained by the Board Secretary/School Business Administrator.

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

**Finding 2025-5** – Documentation supporting County approval for cumulative budget transfers that exceeded 10% to the Central Services and Maintenance Information Technology budget lines was not available for audit.

**Recommendation** – The District submit for County approval all budget transfers as required by NJAC 6A:23A-13.3(g).

**Treasurer's Records**

The Treasurer performed cash reconciliations for the general operating, payroll account and payroll agency account (N.J.S.A 18A:17-36). The Treasurer's records were in agreement with the records of the Board Secretary.

**Unemployment Compensation Insurance Trust Fund**

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the District's General Fund.

**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.

The financial exhibits are contained in the Special Revenue section of the ACFR. This section of the ACFR reports the financial position pertaining to the aforementioned special projects.

**T.P.A.F. Reimbursements**

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

Salaries and wages were not charged to the Special Revenue Fund federal grants. Thus, the Board is not required to submit a TPAF/FICA reimbursement to the State.

**SOUTH HACKENSACK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 (as amended) and 18A:18A-3 are \$44,000 (with a qualifying purchasing agent) and \$32,000 (without a qualifying purchasing agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$22,400. The Board appointed the School Business Administrator as a qualified purchasing agent. The Board of Education has adopted a resolution increasing the bid threshold to \$44,000.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract 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 revealed no instances where the individual payments, contracts, or agreements were made for the performance of any 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 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.

**Finding 2025-6** – Our review noted that a contract change order was not submitted to the Board for their approval.

**Recommendation** – All contract amendments be submitted to the Board for their review and approval.

**Food Service Fund**

The District has a shared service agreement with the Hackensack Board of Education for food service, where the latter provides and delivers meals, in which the District pays for the number of meals.

**Aftercare Program**

**Finding 2025-7** – Our audit of the Aftercare School Program noted the following:

- The bank account was not included in the Board approved designated depositories resolution.
- The contractual terms for the compensation of the Program Coordinators were not submitted to the Board for their approval.
- The district did not charge direct or indirect costs to the Program.

**Recommendation** – It is recommended that:

- The Program bank account be approved as a designated depository by the Board.
- A formal contract be approved by the Board that details the terms of all compensation and related costs that are to be charged to the Aftercare School Program.

**SOUTH HACKENSACK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Student Activity Fund**

The Board has a policy which establishes the accounting procedures of the student activity funds.

Cash receipts and disbursements records for the elementary schools were maintained in good condition.

Cash disbursements tested had proper supporting documentation.

**Finding 2025-8** – A cash receipts/disbursements ledger was implemented in December 2024, however the ledger balance did not agree with the monthly bank reconciliation.

**Recommendation** – Procedures be implemented to ensure the student activity ledger balance is in agreement with the monthly bank reconciliation.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2024 Application for State School Aid (ASSA) for on-roll, private school for the handicapped, bilingual students and low-income. We also performed a review of the district procedures related to its completion. The information on the ASSA was compared to the district workpapers with an immaterial exception. The information that was included on the workpapers was verified with immaterial exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

The district has adequate written procedures for the recording of student enrollment data.

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2024-2025 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.

**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).

**Facilities and Capital Assets**

Our procedures included a review of the transfer of local funds from the general fund or from the capital reserve account and the reporting of the District's capital assets.

**Finding 2025-9** – Our audit revealed that the balances per the district's June 30, 2025, capital asset inventory report are not in agreement with the audit balances.

**Recommendation** – The capital asset inventory report be reviewed and reconciled to the audit balances.



**SOUTH HACKENSACK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Suggestions to Management**

- Reconciling items reported on the various bank reconciliations should be reviewed and all invalid items be adjusted accordingly.
- Scholarship checks issued have at least two authorized signatures.
- Currently, paper requisitions are prepared and submitted for approval. Consideration should be given to have all requisitions submitted electronically for approval.

**SOUTH HACKENSACK BOARD OF EDUCATION  
FOOD SERVICE FUND  
SCHEDULE OF MEAL COUNT ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Not Applicable**

**FOOD SERVICE FUND  
SCHEDULE OF NET CASH RESOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Not Applicable**

**SOUTH HACKENSACK BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2024**

|                            | 2025-26 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            |          |        |
|                            | A.S.S.A.                                 |        | Workpapers  |        |        |        | Selected from           |        | Registers    |        | Registers  |        |                              |                   |          |        |
|                            | On Roll                                  |        | On Roll     |        |        |        | Workpapers              |        | On Roll      |        | On Roll    |        | Private                      | for               | Sample   | Sample |
|                            | Full                                     | Shared | Full        | Shared | Full   | Shared | Full                    | Shared | Full         | Shared | Full       | Shared | Schools                      | Veri-<br>fication | Verified | Errors |
| Full Day Preschool 4YR     | 9                                        |        | 9           |        |        |        | 9                       |        | 9            |        |            |        |                              |                   |          |        |
| Full Day Kindergarten      | 15                                       |        | 15          |        |        |        | 15                      |        | 15           |        |            |        |                              |                   |          |        |
| One                        | 24                                       |        | 24          |        |        |        | 24                      |        | 24           |        |            |        |                              |                   |          |        |
| Two                        | 16                                       |        | 16          |        |        |        | 16                      |        | 16           |        |            |        |                              |                   |          |        |
| Three                      | 21                                       |        | 21          |        |        |        | 21                      |        | 21           |        |            |        |                              |                   |          |        |
| Four                       | 23                                       |        | 23          |        |        |        | 23                      |        | 23           |        |            |        |                              |                   |          |        |
| Five                       | 22                                       |        | 22          |        |        |        | 22                      |        | 22           |        |            |        |                              |                   |          |        |
| Six                        | 16                                       |        | 16          |        |        |        | 16                      |        | 16           |        |            |        |                              |                   |          |        |
| Seven                      | 24                                       |        | 24          |        |        |        | 24                      |        | 24           |        |            |        |                              |                   |          |        |
| Eight                      | 26                                       |        | 26          |        | -      | -      | 26                      |        | 26           |        | -          | -      |                              |                   |          |        |
| Subtotal                   | 196                                      | -      | 196         | -      | -      | -      | 196                     | -      | 196          | -      | -          | -      | -                            | -                 | -        | -      |
| Special Ed - Elementary    | 23                                       |        | 23          |        | -      | -      | 23                      |        | 23           |        | -          | -      | -                            | -                 | -        | -      |
| Special Ed - Middle School | 3                                        |        | 2           |        | 1      | -      | 3                       |        | 2            |        | 1          | -      | -                            | -                 | -        | -      |
| Subtotal                   | 26                                       | -      | 25          | -      | 1      | -      | 26                      | -      | 25           | -      | 1          | -      | -                            | -                 | -        | -      |
| Totals                     | 222                                      | -      | 221         | -      | 1      | -      | 222                     | -      | 221          | -      | 1          | -      | -                            | -                 | -        | -      |
| Percentage Error           |                                          |        |             |        | 0.45%  | 0.00%  |                         |        |              |        | 0.45%      | 0.00%  |                              |                   |          | N/A    |

**SOUTH HACKENSACK BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2024**

|                         | Resident Low Income                         |                                               |        | Sample for Verification               |                                            |                  | Resident LEP Low Income                         |                                                   |        | Sample for Verification               |                                           |                  |
|-------------------------|---------------------------------------------|-----------------------------------------------|--------|---------------------------------------|--------------------------------------------|------------------|-------------------------------------------------|---------------------------------------------------|--------|---------------------------------------|-------------------------------------------|------------------|
|                         | Reported on<br>A.S.S.A. as<br>Low<br>Income | Reported on<br>Workpapers as<br>Low<br>Income | Errors | Sample<br>Selected from<br>Workpapers | Verified to<br>Application<br>and Register | Sample<br>Errors | Reported on<br>A.S.S.A. as<br>LEP low<br>Income | Reported on<br>Workpapers as<br>LEP low<br>Income | Errors | Sample<br>Selected from<br>Workpapers | Verified to<br>Test Score<br>and Register | Sample<br>Errors |
|                         |                                             |                                               |        |                                       |                                            |                  |                                                 |                                                   |        |                                       |                                           |                  |
| Full Day Kindergarten   | 9                                           | 9                                             |        | 3                                     | 3                                          |                  | 2                                               | 3                                                 | (1)    | 1                                     | 1                                         |                  |
| One                     | 13                                          | 12                                            | 1      | 4                                     | 4                                          |                  | 8                                               | 7                                                 | 1      | 2                                     | 2                                         |                  |
| Two                     | 10                                          | 10                                            |        | 3                                     | 3                                          |                  | 8                                               | 8                                                 |        | 2                                     | 2                                         |                  |
| Three                   | 15                                          | 15                                            |        | 4                                     | 4                                          |                  | 7                                               | 7                                                 |        | 2                                     | 2                                         |                  |
| Four                    | 14                                          | 14                                            |        | 4                                     | 3                                          | 1                | 6                                               | 6                                                 |        | 1                                     |                                           | 1                |
| Five                    | 11                                          | 11                                            |        | 3                                     | 3                                          |                  | 2                                               | 2                                                 |        | 1                                     | 1                                         |                  |
| Six                     | 10                                          | 11                                            | (1)    | 3                                     | 1                                          | 2                | -                                               | -                                                 |        | -                                     |                                           |                  |
| Seven                   | 12                                          | 12                                            | -      | 4                                     | 3                                          | 1                | 1                                               | 1                                                 |        | 1                                     | 1                                         |                  |
| Eight                   | 11                                          | 11                                            |        | 3                                     | 3                                          |                  | 1                                               | 1                                                 |        | 1                                     | 1                                         |                  |
| Nine                    | 9                                           | 8                                             | 1      | 3                                     | 3                                          |                  | -                                               | -                                                 |        | -                                     |                                           |                  |
| Ten                     | 10                                          | 10                                            |        | 3                                     | 3                                          |                  | 3                                               | 3                                                 |        | 1                                     | 1                                         |                  |
| Eleven                  | 11                                          | 10                                            | 1      | 3                                     | 3                                          |                  | 1                                               | 1                                                 |        | 1                                     | 1                                         |                  |
| Twelve                  | 14                                          | 14                                            | -      | 4                                     | 4                                          | -                | 1                                               | 1                                                 | -      | -                                     | -                                         | -                |
| Subtotal                | 149                                         | 147                                           | 2      | 44                                    | 40                                         | 4                | 40                                              | 40                                                | -      | 13                                    | 12                                        | 1                |
|                         |                                             |                                               |        |                                       |                                            |                  |                                                 |                                                   |        |                                       |                                           |                  |
| Special Ed - Elementary | 17                                          | 15                                            | 2      | 5                                     | 4                                          | 1                | 7                                               | 5                                                 | 2      | 1                                     | -                                         | 1                |
| Special Ed - Middle     | 2                                           | -                                             | 2      | -                                     | -                                          | -                | -                                               | -                                                 | -      | -                                     | -                                         | -                |
| Special Ed - High       | 4                                           | 3                                             | 1      | 1                                     | 1                                          | -                | -                                               | -                                                 | -      | -                                     | -                                         | -                |
| Subtotal                | 23                                          | 18                                            | 5      | 6                                     | 5                                          | 1                | 7                                               | 5                                                 | 2      | 1                                     | -                                         | 1                |
|                         |                                             |                                               |        |                                       |                                            |                  |                                                 |                                                   |        |                                       |                                           |                  |
| Totals                  | 172                                         | 165                                           | 7      | 50                                    | 45                                         | 5                | 47                                              | 45                                                | 2      | 14                                    | 12                                        | 2                |
|                         |                                             |                                               |        |                                       |                                            |                  |                                                 |                                                   |        |                                       |                                           |                  |
| Percentage Error        |                                             |                                               | 3.79%  |                                       |                                            | 10.00%           |                                                 |                                                   | 4.26%  |                                       |                                           | 14.29%           |

| Transportation                        |                                     |        |        |          |        |  |
|---------------------------------------|-------------------------------------|--------|--------|----------|--------|--|
| Reported on<br>DRTRS by<br>DOE/county | Reported on<br>DRTRS by<br>District | Errors | Tested | Verified | Errors |  |
| Regular - Public                      | 13                                  | -      | 4      | 4        | -      |  |
| Regular - Special Education           | 7                                   | -      | 2      | 2        | -      |  |
| Special Education - Special Needs     | 14                                  | -      | 4      | 4        | -      |  |
| Totals                                | 34                                  | -      | 10     | 10       | -      |  |
|                                       |                                     |        |        |          |        |  |
| Percentage Error                      |                                     | 0.00%  |        |          | 0.00%  |  |

**SOUTH HACKENSACK BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2024**

|                         | <b>Resident LEP NOT Low Income</b>              |                                                   |         | <b>Sample for Verification</b>        |                                            |                  |
|-------------------------|-------------------------------------------------|---------------------------------------------------|---------|---------------------------------------|--------------------------------------------|------------------|
|                         | Reported on<br>A.S.S.A. as<br>NOT Low<br>Income | Reported on<br>Workpapers as<br>NOT Low<br>Income | Errors  | Sample<br>Selected from<br>Workpapers | Verified to<br>Application<br>and Register | Sample<br>Errors |
| Full Day Kindergarten   | 1                                               | 2                                                 | (1)     | 1                                     | 1                                          |                  |
| One                     | 2                                               | 3                                                 | (1)     | 1                                     | 1                                          |                  |
| Two                     | 1                                               | 1                                                 |         |                                       |                                            |                  |
| Three                   | 1                                               | 1                                                 |         |                                       |                                            |                  |
| Four                    | 2                                               | 2                                                 |         | 1                                     | 1                                          |                  |
| Five                    |                                                 | -                                                 |         |                                       |                                            |                  |
| Six                     |                                                 | -                                                 |         |                                       |                                            |                  |
| Seven                   | 1                                               | 1                                                 |         |                                       |                                            |                  |
| Eight                   | 2                                               | 2                                                 |         | 1                                     | 1                                          |                  |
| Nine                    | 1                                               | 1                                                 |         | 1                                     | 1                                          |                  |
| Ten                     | 1                                               | 1                                                 |         |                                       |                                            |                  |
| Eleven                  | 1                                               | 1                                                 | -       |                                       |                                            | -                |
| Subtotal                | 13                                              | 15                                                | (2)     | 5                                     | 5                                          | -                |
| Special Ed - Elementary | 2                                               | 4                                                 | (2)     | 1                                     | 1                                          | -                |
| Subtotal                | 2                                               | 4                                                 | (2)     | 1                                     | 1                                          | -                |
| Totals                  | 15                                              | 19                                                | (4)     | 6                                     | 6                                          | -                |
| Percentage Error        |                                                 |                                                   | -26.67% |                                       |                                            | 0.00%            |

**SOUTH HACKENSACK BOARD OF EDUCATION  
EXCESS SURPLUS CALCULATION  
JUNE 30, 2025**

|                                                             |               |                     |
|-------------------------------------------------------------|---------------|---------------------|
| Total General Fund Budgetary Expenditures                   |               | \$ 11,132,565       |
| Decreased by:                                               |               |                     |
| On-Behalf TPAF Pension & Social Security                    |               | <u>1,480,861</u>    |
| Adjusted General Fund Expenditures                          |               | <u>\$ 9,651,704</u> |
| 2% of Adjusted General Fund Expenditures                    |               | <u>\$ 193,034</u>   |
| Greater of 2% of Adjusted Expenditures, or \$250,000        |               | \$ 250,000          |
| Increased by:                                               |               |                     |
| Allowable Adjustments - Excess Revenues                     |               |                     |
| Extraordinary Aid                                           |               | 64,625              |
| Nonpublic Transportation                                    |               | <u>5,604</u>        |
| Maximum Unreserved/ Fund Balance                            |               | \$ 320,229          |
| Total General Fund - Budgetary Fund Balances, June 30, 2025 |               | \$ 3,530,921        |
| Decreased by:                                               |               |                     |
| Encumbrances                                                | \$ 26,595     |                     |
| Capital Reserve                                             | 1,907,644     |                     |
| Maintenance Reserve                                         | 363,226       |                     |
| Excess Surplus-Designated for Subsequent Year's Budget      | 384,003       |                     |
| Unemployment Compensation                                   | <u>18,584</u> |                     |
|                                                             |               | <u>2,700,052</u>    |
| Total Unassigned Fund Balance                               |               | <u>\$ 830,869</u>   |
| Fund Balance - Excess Surplus                               |               | <u>\$ 510,640</u>   |
| <b><u>Analysis of Excess Surplus - June 30, 2025</u></b>    |               |                     |
| Excess Surplus - Designated for Subsequent Year's Budget    |               | \$ 384,003          |
| Excess Surplus                                              |               | <u>510,640</u>      |
| Total Excess Surplus                                        |               | <u>\$ 894,643</u>   |

**SOUTH HACKENSACK BOARD OF EDUCATION  
RECOMMENDATIONS**

**I. Administration Practices and Procedures**

1. It is recommended that a surety bond for the Treasurer be obtained that complies with the statutory requirements.

**II. Financial Planning, Accounting and Reporting**

It is recommended that:

2. The District should review all vouchers prior to payment to ensure that the claimant and receipt of goods signatures are obtained before vendor payments are processed.
3. Management should complete an employee payroll verification as required by NJ Department of Education.
4. A payroll agency ledger be implemented, reviewed and in agreement with the monthly bank reconciliations.
5. The District submit for County approval all budget transfers as required by NJAC 6A:23A-13.3(g).

**III. School Purchasing Program**

6. It is recommended that all contract amendments be submitted to the Board for their review and approval.

**IV. School Food Service**

There are none.

**V. Aftercare Program**

7. It is recommended that:
  - The Program bank account be approved as a designated depository by the Board.
  - A formal contract be approved by the Board that details the terms of all compensation and related costs that are to be charged to the Aftercare School Program.

**VI. Student Body Activities**

8. It is recommended that procedures be implemented to ensure the student activity ledger balance is in agreement with the monthly bank reconciliation.

**VII. Application for State Aids**

There are none.

**VIII. Pupil Transportation**

There are none.

**IX. Facilities and Capital Assets**

9. It is recommended that the capital asset inventory report be reviewed and reconciled to the audit balances.

**SOUTH HACKENSACK BOARD OF EDUCATION  
RECOMMENDATIONS**

**X     Miscellaneous**

There are none.

**XI.   Status of Prior Year Audit Findings/Recommendations**

A review was performed on all prior years' recommendation. Corrective action was taken on the prior year recommendations.

**ACKNOWLEDGEMENT**

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