

**TEANECK BOARD OF EDUCATION  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2018**

**TEANECK BOARD OF EDUCATION  
TABLE OF CONTENTS**

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

**Page No.**

Report of Independent Auditor	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-5
School Purchasing Programs	5
School Food Service	6
Community School/Adult Education Programs	6
Student Activity and Athletic Association Accounts	7
Application for State School Aid	7
Pupil Transportation	7
Facilities and Capital Assets	8
Testing for Lead of all Drinking Water in Educational Facilities	8
Management Suggestions	8
Follow-up on Prior Year Findings	8
Schedule of Meal Count Activity	9
Net Cash Resource Schedule	10
Schedule of Audited Enrollments	11-13
Calculation of Excess Surplus	14
Recommendations	15-16
Acknowledgement	16



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA

Honorable President and Members  
of the Board of Education  
Teaneck Board of Education  
Teaneck, 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 Teaneck Board of Education as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 18, 2019.

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.

Respectfully submitted,

*Lerch, Vinci & Higgins, LLP*  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Jeffery C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
January 18, 2019

**TEANECK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Scope of Audit**

The audit covered the financial transactions of the Interim 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 contained in the District's Comprehensive Annual Financial Report (the "CAFR").

**Official Bonds** (N.J.S.A. 18A:17-26, 18A:17-32)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
James Olobardi (7/1/17 to 1/16/18)	Interim Business Administrator/Board Secretary	\$280,000
Melissa Simmons (1/17/18 to 6/30/18)	Business Administrator/Board Secretary	280,000
Anthony Bianchi	Treasurer of School Monies	425,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$100,000 per employee and \$400,000 per loss.

**Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under review did not indicate any significant discrepancies with respect to signatures, certification or supporting documentation.

**Payroll Account**

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

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

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

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

**TEANECK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

Payroll Account (Continued)

The School Business Administrator completed and filed the required certification of compliance with federal and state law respecting the reporting of compensation for certain employees.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Travel

The District had an approved board travel policy as required by N.J.A.C. 6A:23A-6.13 and N.J.S.A. 18A:11-12.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(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 N.J.A.C. 6A:23-8.2. As a result of the procedures performed, no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

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

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

The prescribed contractual order system was followed. Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

Treasurer's Records

The Treasurer performed certain cash reconciliations in accordance with NJSA 18A:17-36.

All receipts were promptly deposited.

**TEANECK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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 financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II and Title III of the Elementary and Secondary Education Act as amended.

Our examination 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 Exhibit K-3 and Exhibit K-4 located in the CAFR.

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

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

- **Finding** – We noted certain 2016/17 & 2017/18 federal ESEA/ESSA grant program funds in the amount of \$233,991 and \$9,869, respectively, that were released from the District’s available funds for carryover as a result of the District’s failure to expend program funds within the allowable grant period.

**Recommendation** – Internal control procedures be reviewed and enhanced in the monitoring of available federal grant funds to ensure program funds are expended in the allowable grant period.

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. Exceptions were noted.

- **Finding (CAFR Finding 2018-001)** – Our audit of the TPAF FICA reimbursements revealed the financial accounting software vendor did not revise the payroll program on January 1, 2018 to address the calculation of the amounts requested for reimbursement. We noted the financial accounting software vendor did revise the payroll software program effective January 1, 2019 to address the TPAF FICA calculation. Therefore, no recommendation is deemed warranted.

**TEANECK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

T.P.A.F Reimbursement to the State for Federal Salary Expenditures

The amount of expenditure charged to the current year's Final Report for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 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.

Non-Public State Aid

Project completion reports were finalized and transmitted to the State by the due date.

**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(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (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 \$19,000. The Board has designated the Interim School Business Administrator as the qualified purchasing agent for the District.

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.

Except as noted below, the results of my examination indicated that 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 provisions 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 except as noted below.

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** – Review of the contract award to Peggnet for host services and network upgrades found that Peggnet was paid in excess of the contract award in the amount of \$37,688 for back up and disaster recovery services which appear to be part of the original contract award.

**Recommendation** – Payments made for additional services to the District's technology consultant be reviewed to ensure the services are not part of the original contract award.

**TEANECK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**School Food Service**

The financial transactions and statistical records of the school food services were maintained in good condition. The financial accounts and records 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 (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed. The FSMC contract includes an operating results provision which guarantees that the food service program will have a profit of \$100,000. The operating results provision has been met.

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 Districts deposited program monies and made expenditures in accordance with N.J.S.A. 18A:17-34. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions were noted.

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/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal 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. No exceptions were noted.

Net cash resources did not exceed three months average expenditures.

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

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

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds.

**Community School/Adult Education Program**

The financial records of the Community School/Adult Education Program were maintained in good condition.

Cash receipts and bank records were reviewed for timely deposit.

**TEANECK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Student Activity and Athletic Accounts**

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

Cash receipts and disbursements records for various other schools were maintained in good condition.

- **Finding** - Our audit of the Benjamin Franklin Middle School, Thomas Jefferson Middle School and Teaneck High School student activity accounts found that there were checks issued with only one authorized signature. Board policy requires two (2) authorized signatures on all checks issued from the student activity accounts.

**Recommendation-** All checks issued from the student activity accounts contain two authorized signatures as required by Board policy.

- **Finding** – Our audit of the Thomas Jefferson Middle School collections found that the date of deposit preceded the pre-numbered receipt ticket date and composition of the deposits (i.e. cash and check) were not always completed. It appears pre-numbered receipt tickets are prepared after amounts are received and deposited into the bank.

**Recommendation** – Pre-numbered receipt tickets be completed and issued at the time the funds are received for deposit to the Thomas Jefferson Middle School student activity account. In addition, the composition of deposit (i.e. cash and checks) be completed in all instances.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 13, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, related services, bilingual students and low-income. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included 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.

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2017-18 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

**TEANECK BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Facilities and Capital Assets**

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

**Testing for Lead of all Drinking Water in Educational Facilities**

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

**Management Suggestions**

- A separate interest bearing bank account to be established for the Employee Summer Savings Plan.
- Community School Program fees be approved by the Board in the official minutes.
- A resolution (or memo) should be presented for adoption by the Board to recognize the fact the audited costs exceeded 130% of the audited statewide average as published in the Taxpayer Guide to Education Spending and to report the control measures that will be implemented to reduce such costs, as appropriate, and the reason why such control measures may not reduce such costs.

**Follow-up on Prior Year Findings**

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

**TEANECK BOARD OF EDUCATION  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**SCHEDULE OF MEAL COUNT ACTIVITY**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over) Under Claim</u>
National School Lunch	Paid	128,366	59,410	59,410	-		
	Reduced	31,871	15,153	15,153	-		
	Free	<u>128,033</u>	<u>61,204</u>	<u>61,204</u>	<u>-</u>		
		<u>288,270</u>	<u>135,767</u>	<u>135,767</u>	<u>-</u>		
School Breakfast (Severe)	Paid	12,483	5,773	5,773	-		
	Reduced	7,286	3,481	3,481	-		
	Free	<u>43,116</u>	<u>21,198</u>	<u>21,198</u>	<u>-</u>		
		<u>62,885</u>	<u>30,452</u>	<u>30,452</u>	<u>-</u>		
GRAND TOTAL		<u>351,155</u>	<u>166,219</u>	<u>166,219</u>	<u>-</u>		

**TEANECK BOARD OF EDUCATION  
NET CASH RESOURCE SCHEDULE  
FOOD SERVICE/ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Net Cash Resources:</u>		<u>Food Service B - 4/5</u>	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 39,701
B-4		Due from Other Gov'ts	271,822
B-4		Accounts Receivable	6,889
B-4		Investments	
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(73,731)
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Unearned Revenue	<u>(15,178)</u>
		<b>Net Cash Resources</b>	<b><u>\$ 229,503</u></b> (A)

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	1,371,517
B-5		Less Depreciation	<u>(6,632)</u>
		Adj. Tot. Oper. Exp.	<b><u>\$ 1,364,885</u></b> (B)

Average Monthly Operating Expense:

B / 10	<b><u>\$ 136,489</u></b>	(C)
--------	--------------------------	-----

Three times monthly Average:

3 X C	<b><u>\$ 409,466</u></b>	(D)
-------	--------------------------	-----

TOTAL IN BOX A	\$ 229,503
LESS TOTAL IN BOX D	<u>\$ 409,466</u>
NET	<b><u>\$ (179,963)</u></b>

**Net Cash Resources Do Not Exceed Three Months Average Expenses**

**TEANECK BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 13, 2017  
SCHEDULE OF AUDITED ENROLLMENTS**

	2018-2019 Application for State School Aid						Sample for Verification						On Roll - Special Education			Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Sample for Verification	Sample Verified	Sample Errors	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							
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared							
Half Day Preschool 3 Years Old	28		28		-	-	28		28		-								
Half Day Preschool 4 Years Old	57		57		-	-	57		57		-								
Full Day Preschool 3 Years Old	-		-		-	-	-		-		-								
Full Day Preschool 4 Years Old	-		-		-	-	-		-		-								
Half Day Kindergarten	-		-		-	-	-		-		-								
Full Day Kindergarten	188		188		-	-	18		18		-								
Grade 1	180		180		-	-	49		49		-								
Grade 2	178		178		-	-	62		62		-								
Grade 3	176		176		-	-	62		62		-								
Grade 4	165		165		-	-	62		62		-								
Grade 5	207		207		-	-	101		101		-								
Grade 6	202		202		-	-	103		103		-								
Grade 7	215		215		-	-	103		103		-								
Grade 8	199		199		-	-	106		106		-								
Grade 9	209	3	209	3	-	-	209	3	209	3	-								
Grade 10	210	-	210	-	-	-	210	-	210	-	-								
Grade 11	244	2	244	2	-	-	244	2	244	2	-								
Grade 12	276	5	276	5	-	-	276	5	276	5	-								
Post- Graduate					-	-					-								
Adult High School (15+ Credits)					-	-					-								
Adult High School (1-14 Credits)					-	-					-								
Subtotal	2,734	10	2,734	10	-	-	1,690	10	1,690	10	-	-	-	-	-	-	-	-	-
Sp Ed - Elementary	361	-	361	-	-	-	87	-	87	-	-	29	29	-		5	4	4	-
Sp Ed - Middle School	201	-	201	-	-	-	105	-	105	-	-	16	16	-		11	8	8	-
Sp Ed - High School	279	2	279	2	-	-	279	2	279	2	-	23	23	-		44	33	33	-
Subtotal	841	2	841	2	-	-	471	2	471	2	-	68	68	-		60	45	45	-
County Vocational - Regular					-	-					-								
County Vocational - F.T. Post-Second					-	-					-								
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-
Totals	3,575	12	3,575	12	-	-	2,161	12	2,161	12	-	68	68	-		60	45	45	-
Percentage Error							<u>0.00%</u>		<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>		<u>0.00%</u>		<u>0.00%</u>

**TEANECK BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 13, 2017  
SCHEDULE OF AUDITED ENROLLMENTS**

	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	Sample Errors
Half Day Preschool 3 Years Old			-			-
Half Day Preschool 4 Years Old			-			-
Full Day Preschool 3 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten	73.0	73.0	-	4.0	4.0	-
Grade 1	84.0	84.0	-	4.0	4.0	-
Grade 2	95.0	95.0	-	5.0	5.0	-
Grade 3	77.0	77.0	-	4.0	4.0	-
Grade 4	78.0	78.0	-	4.0	4.0	-
Grade 5	91.0	91.0	-	4.0	4.0	-
Grade 6	91.0	91.0	-	4.0	4.0	-
Grade 7	100.0	100.0	-	5.0	5.0	-
Grade 8	85.0	85.0	-	4.0	4.0	-
Grade 9	65.0	65.0	-	3.0	3.0	-
Grade 10	70.0	70.0	-	3.0	3.0	-
Grade 11	79.0	79.0	-	4.0	4.0	-
Grade 12	95.5	95.5	-	4.0	4.0	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
<b>Subtotal</b>	<b>1,083.5</b>	<b>1,083.5</b>	<b>-</b>	<b>52.0</b>	<b>52.0</b>	<b>-</b>
Sp Ed - Elementary	144.0	144.0	-	8.0	8.0	-
Sp Ed - Middle School	88.0	88.0	-	5.0	5.0	-
Sp Ed - High School	89.0	89.0	-	5.0	5.0	-
<b>Subtotal</b>	<b>321.0</b>	<b>321.0</b>	<b>-</b>	<b>18.0</b>	<b>18.0</b>	<b>-</b>
County Vocational - Regular			-			-
County Vocational - F.T. Post-Second			-			-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>1,404.5</b>	<b>1,404.5</b>	<b>-</b>	<b>70.0</b>	<b>70.0</b>	<b>-</b>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Half Day Preschool 3 Years Old			-			-
Half Day Preschool 4 Years Old			-			-
Full Day Preschool 3 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten	12.0	12.0	-	9.0	9.0	-
Grade 1	12.0	12.0	-	9.0	9.0	-
Grade 2	4.0	4.0	-	3.0	3.0	-
Grade 3	1.0	1.0	-	1.0	1.0	-
Grade 4	3.0	3.0	-	2.0	2.0	-
Grade 5	3.0	3.0	-	2.0	2.0	-
Grade 6	5.0	5.0	-	4.0	4.0	-
Grade 7	3.0	3.0	-	2.0	2.0	-
Grade 8	3.0	3.0	-	2.0	2.0	-
Grade 9	2.0	2.0	-	2.0	2.0	-
Grade 10	3.0	3.0	-	2.0	2.0	-
Grade 11	7.0	7.0	-	5.0	5.0	-
Grade 12	10.0	10.0	-	8.0	8.0	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
<b>Subtotal</b>	<b>68.0</b>	<b>68.0</b>	<b>-</b>	<b>51.0</b>	<b>51.0</b>	<b>-</b>
Sp Ed - Elementary	2.0	2.0	-	2.0	2.0	-
Sp Ed - Middle School	-	-	-	-	-	-
Sp Ed - High School	-	-	-	-	-	-
<b>Subtotal</b>	<b>2.0</b>	<b>2.0</b>	<b>-</b>	<b>2.0</b>	<b>2.0</b>	<b>-</b>
County Vocational - Regular			-			-
County Vocational - F.T. Post-Second			-			-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>70.0</b>	<b>70.0</b>	<b>-</b>	<b>53.0</b>	<b>53.0</b>	<b>-</b>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	315	315	-	7	7	-
Regular - Special Ed	15	15	-	1	1	-
AIL Non-Public	283	283	-	7	7	-
Transported - Non Public	2104	2,104	-	49	49	-
Special Needs	306	306	-	7	7	-
<b>Subtotal</b>	<b>3,023</b>	<b>3,023</b>	<b>-</b>	<b>71</b>	<b>71</b>	<b>-</b>
Percentage Error			<u>0.0%</u>			<u>0.0%</u>

**TEANECK BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 13, 2017  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application	Errors
Half Day Preschool 3 Years Old						
Full Day Preschool 3 Years Old			-			-
Half Day Preschool 4 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten	10	10	-	9	9	-
Grade 1	5	5	-	4	4	-
Grade 2	4	4	-	3	3	-
Grade 3	3	3	-	2	2	-
Grade 4	3	3	-	3	3	-
Grade 5	2	2	-	2	2	-
Grade 6	5	5	-	4	4	-
Grade 7	2	2	-	2	2	-
Grade 8	-	-	-	-	-	-
Grade 9	1	1	-	1	1	-
Grade 10	1	1	-	1	1	-
Grade 11	3	3	-	3	3	-
Grade 12	3	3	-	2	2	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
<b>Subtotal</b>	<b>42</b>	<b>42</b>	<b>-</b>	<b>36</b>	<b>36</b>	<b>0</b>
Sp Ed - Elementary	-	-	-	-	-	-
Sp Ed - Middle School	-	-	-	-	-	-
Sp Ed - High School	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
County Vocational - Regular						
County Vocational - F.T. Post-Second						
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>42</b>	<b>42</b>	<b>-</b>	<b>36</b>	<b>36</b>	<b>-</b>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**TEANECK BOARD OF EDUCATION  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**SECTION 1 - Regular District**

Two Percent (2%) - Calculation of Excess Surplus

2017-2018 Total General Fund Expenditures per the CAFR	\$ 101,483,039	
Decreased by:		
On-Behalf TPAF Pension & Social Security	(11,190,972)	
Adjusted 2017-2018 General Fund Expenditures	<u>\$ 90,292,067</u>	
2% of Adjusted 2017-2018 General Fund Expenditures	\$ 1,805,841	
Allowable Adjustments	<u>232,236</u>	
Maximum Unassigned Fund Balance		\$ 2,038,077

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2018  
(Per CAFR Budgetary Comparison Schedule/Statement C-1)

	\$ 13,392,361	
Decreased by:		
Restricted Fund Balances - Capital Reserve	\$ 4,075,801	
Restricted Fund Balances - Maintenance Reserve	1,201,000	
Restricted Fund Balances - Tuition Reserve	100,000	
Assigned - Year End Encumbrances	1,971,684	
Excess Surplus - Designated for Subsequent Year's Expenditures	1,583,223	
Assigned Fund Balance - Unreserved Designated for Subsequent Year's Exp	<u>479,758</u>	
	<u>9,411,466</u>	
Total Unassigned Fund Balance		<u>3,980,895</u>
Restricted Fund Balance - Excess Surplus		<u>\$ 1,942,818</u>

**SECTION 3**

Recapitulation of Excess Surplus as of June 30, 2018

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 1,583,223	
Reserved Excess Surplus	<u>1,942,818</u>	
Total		<u>\$ 3,526,041</u>

**Allowable Adjustments**

Excess Extraordinary Aid Revenue	\$ 65,134	
Non Public Transportation	<u>167,102</u>	
	<u>\$ 232,236</u>	

## RECOMMENDATIONS

### I. Administrative Practices and Procedures

There are none.

### II. Financial Planning, Accounting and Reporting

It is recommended that internal control procedures be reviewed and enhanced in the monitoring of available federal grant funds to ensure program funds are expended in the allowable grant period.

### III. School Purchasing Program

It is recommended that payments made for additional services to the District's technology consultant be reviewed to ensure the services are not part of the original contract award.

### IV. School Food Services

There are none.

### V. Community School/Adult Education Program

There are none.

### VI. Student Body Activities

It is recommended that:

1. All checks issued from the student activity accounts contain two authorized signatures as required by Board policy.
2. Pre-numbered receipts tickets be completed and issued at the time funds are received for deposit to the Thomas Jefferson Middle School student activity account. In addition, the composition of deposit (i.e. cash and checks) be completed in all instances.

### VII. Application for State School Aid

There are none.

### VIII. Pupil Transportation

There are none.

**RECOMMENDATIONS  
(Continued)**

**IX. Facilities and Capital Assets**

There are none.

**X. Miscellaneous**

There are none.

**XI. Status of Prior Years' Audit Findings/Recommendations**

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

**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 & HIGGINS, LLP



Jeffery C. Bliss  
Certified Public Accountant  
Public School Accountant