

**PARAMUS BOARD OF EDUCATION  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2018**

**PARAMUS BOARD OF EDUCATION  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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REGISTERED MUNICIPAL ACCOUNTANTS

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Honorable President and Members  
of the Board of Education  
Paramus Board of Education  
Paramus, 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 Paramus Board of Education as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 23, 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 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 & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants

Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
January 23, 2019

**PARAMUS 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 Board Secretary/School Business Administrator and Assistant Business Administrator, 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**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Steven Cea	Business Administrator	\$250,000

There is a public employee dishonesty coverage for all other employees with coverage of \$100,000 per employee and \$500,000 per loss.

**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. 6A23-3.1(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 signatures, certifications and proper itemization.

**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 the proper agencies, including health benefits withholding due to the general fund.

The required certification (E-CERTI) of compliance with requirements of income tax on compensation of District Administration was filed with the NJ Department of Treasury by the due date.

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

**PARAMUS 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)

Payrolls were delivered to the Secretary of the Board who then deposited by wire transfers in separate bank accounts for the net payroll and withholdings.

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.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 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 N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, no errors were noted.

Board Secretary's Records

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

The prescribed contractual order system was followed.

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

Board Designee – Bank Reconciliations

The Board has appointed the assistant school business administrator as the designee to perform cash reconciliations.

The Board designee did perform cash reconciliations for all District accounts (N.J.S.A. 18A:17-36).

The monthly records pertaining to cash reconciliations were in agreement with the records of the Board Secretary and approved in the official minutes.

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 Expendable Trust Fund.

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

The E.S.E.A./ESSA 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 Titles I, II, III and IV of the Elementary and Secondary Education Act.

Our examination 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.

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

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

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 CAFR.

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

T.P.A.F. Reimbursements

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

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

The amount of the expenditure charged to the current year's Final Report for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2015 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent - "QPA") 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 District's Board Secretary/Business Administrator is a Qualified Purchasing Agent and the Board has designated him as the QPA with a bid threshold of \$40,000.

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

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

The results of our examination indicated 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.

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

**School Food Service**

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

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

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts, meal and milk count records and eligibility applications were reviewed on a test-check basis. The number of meals claimed for reimbursement was verified against 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.

Cash receipts and bank records were reviewed for timely deposit.

Applications for free and reduced price meals and free milks were reviewed for completeness and accuracy. The number of free and reduced price meals and free milks claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

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 and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$50,000. 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 at least annually.

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 District's food service management company is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did 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.

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

**Student Body Activities**

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

All receipts were promptly deposited.

All cash disbursements tested had proper supporting documentation.

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

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 13, 2017 Application for State School Aid (ASSA) for on-roll, private schools for the disabled, related services, low income and bilingual. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with no exceptions. The information that was included on the workpapers was verified with no exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District did 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 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 with no exceptions. 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 transfer of local funds from the Capital Reserve Account and awarding of contracts for eligible facilities construction. No exceptions were noted.

**Testing for Lead of all Drinking Water in Education 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 submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

**Suggestions to Management**

- The prior year unexpected local grants be reviewed and cleared of record.



**PARAMUS BOARD OF EDUCATION  
FOOD SERVICE FUND  
SCHEDULE OF MEAL COUNT ACTIVITY  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOT APPLICABLE**

**PARAMUS BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
CALCULATION OF NET CASH RESOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Net Cash Resources**

**Current Assets**

Cash and Cash Equivalents	\$	119,621
Intergovernmental Receivable		7,085

**Current Liabilities**

Less:

Accounts Payable		(16,880)
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<b>Net Cash Resources</b>	<b>\$</b>	<b>109,826</b>
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**Adjusted Total Operating Expense:**

Total Operating Expenses	\$	1,236,660
Less Depreciation		(24,176)

Adjusted Total Operating Expense	\$	1,212,484
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<b><u>Average Monthly Operating Expense:</u></b>	<b>\$</b>	<b>121,248</b>
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<b><u>Three Times Monthly Average:</u></b>	<b>\$</b>	<b>363,745</b>
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Total Net Cash Resources	\$	109,826
Three Times Monthly Average Expenditures		363,745

Excess(Deficit) Cash Resources	\$	(253,919)
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**PARAMUS BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2017  
SCHEDULE OF AUDITED ENROLLMENTS**

	2018-19 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool	36	-	36	-	-	-	22	-	22	-	-	-				
Full Day Preschool - 3yr	6	-	6	-	-	-	6	-	6	-	-	-				
Full Day Preschool - 4yr	27	-	27	-	-	-	27	-	27	-	-	-				
Half Day Kindegarten	-	-	-	-	-	-	-	-	-	-	-	-				
Full Day Kindergarten	225	-	225	-	-	-	51	-	51	-	-	-				
One	216	-	216	-	-	-	36	-	36	-	-	-				
Two	240	-	240	-	-	-	46	-	46	-	-	-				
Three	202	-	202	-	-	-	55	-	55	-	-	-				
Four	239	-	239	-	-	-	39	-	39	-	-	-				
Five	224	-	224	-	-	-	107	-	107	-	-	-				
Six	225	-	225	-	-	-	103	-	103	-	-	-				
Seven	228	-	228	-	-	-	118	-	118	-	-	-				
Eight	280	-	280	-	-	-	130	-	130	-	-	-				
Nine	223	-	223	-	-	-	223	-	223	-	-	-				
Ten	247	-	247	-	-	-	247	-	247	-	-	-				
Eleven	256	-	256	-	-	-	256	-	256	-	-	-				
Twelve	240	1	240	1	-	-	240	1	240	1	-	-				
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	<u>3,114</u>	<u>1</u>	<u>3,114</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1,706</u>	<u>1</u>	<u>1,706</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - Elementary	256	-	256	-	-	-	24	-	24	-	-	-	10	8	8	-
Special Ed - Middle School	186	-	186	-	-	-	13	-	13	-	-	-	4	3	3	-
Special Ed - High School	213	5	213	5	-	-	21	1	21	1	-	-	16	12	12	-
Subtotal	<u>655</u>	<u>5</u>	<u>655</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>58</u>	<u>1</u>	<u>58</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>23</u>	<u>23</u>	<u>-</u>
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	<u>3,769</u>	<u>6</u>	<u>3,769</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>1,764</u>	<u>2</u>	<u>1,764</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>23</u>	<u>23</u>	<u>-</u>
Percentage Error					<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>

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

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	11.0	11.0	-	2.0	2.0	-	-	-	-	-	-	-
One	8.0	8.0	-	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
Two	16.0	16.0	-	3.0	3.0	-	1.0	1.0	-	1.0	1.0	-
Three	11.0	11.0	-	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
Four	19.0	19.0	-	4.0	4.0	-	1.0	1.0	-	1.0	1.0	-
Five	19.0	19.0	-	4.0	4.0	-	2.0	2.0	-	1.0	1.0	-
Six	20.0	20.0	-	4.0	4.0	-	-	-	-	-	-	-
Seven	18.0	18.0	-	4.0	4.0	-	-	-	-	-	-	-
Eight	15.0	15.0	-	3.0	3.0	-	1.0	1.0	-	1.0	1.0	-
Nine	12.0	12.0	-	2.0	2.0	-	-	-	-	-	-	-
Ten	16.0	16.0	-	3.0	3.0	-	1.0	1.0	-	1.0	1.0	-
Eleven	13.0	13.0	-	2.0	2.0	-	-	-	-	-	-	-
Twelve	18.0	18.0	-	4.0	4.0	-	1.0	1.0	-	-	-	-
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	196.0	196.0	-	39.0	39.0	-	9.0	9.0	-	7.0	7.0	-
Special Ed - Elementary	31.0	31.0	-	6.0	6.0	-	1.0	1.0	-	1.0	1.0	-
Special Ed - Middle	22.0	22.0	-	5.0	5.0	-	-	-	-	-	-	-
Special Ed - High	30.5	30.5	-	6.0	6.0	-	1.0	1.0	-	1.0	1.0	-
Subtotal	83.5	83.5	-	17.0	17.0	-	2.0	2.0	-	2.0	2.0	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	279.5	279.5	-	56.0	56.0	-	11.0	11.0	-	9.0	9.0	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	879.5	879.5	-	54.0	54.0	-
Reg -SpEd, col. 4	43.0	43.0	-	8.0	8.0	-
Transported - Non-Public, col. 3	48.5	48.5	-	3.0	3.0	-
Special Ed Spec, col. 6	119.0	119.0	-	14.0	14.0	-
Totals	1,090.0	1,090.0	-	79.0	79.0	-
Percentage Error					0.00%	

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

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	19.0	19.0	-	3.0	3.0	-
One	15.0	15.0	-	3.0	3.0	-
Two	12.0	12.0	-	2.0	2.0	-
Three	10.0	10.0	-	2.0	2.0	-
Four	13.0	13.0	-	2.0	2.0	-
Five	11.0	11.0	-	2.0	2.0	-
Six	6.0	6.0	-	1.0	1.0	-
Seven	7.0	7.0	-	1.0	1.0	-
Eight	7.0	7.0	-	1.0	1.0	-
Nine	4.0	4.0	-	1.0	1.0	-
Ten	3.0	3.0	-	1.0	1.0	-
Eleven	4.0	4.0	-	1.0	1.0	-
Twelve	5.0	5.0	-	1.0	1.0	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>116.0</u>	<u>116.0</u>	<u>-</u>	<u>21.0</u>	<u>21.0</u>	<u>-</u>
Special Ed - Elementary	3.0	3.0	-	1.0	1.0	-
Special Ed - Middle	1.0	1.0	-	1.0	1.0	-
Special Ed - High	1.0	1.0	-	1.0	1.0	-
Subtotal	<u>5.0</u>	<u>5.0</u>	<u>-</u>	<u>3.0</u>	<u>3.0</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>121.0</u>	<u>121.0</u>	<u>-</u>	<u>24.0</u>	<u>24.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

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

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

2017-2018 Total General Fund Expenditures per the CAFR	\$ 90,012,384
Increased by:	
Transfer from Capital Reserve to Capital Projects Fund	470,142
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(9,636,566)</u>
Adjusted 2017-2018 General Fund Expenditures	<u>\$ 80,845,960</u>
2% of Adjusted 2017-2018 General Fund Expenditures	<u>\$ 1,616,919</u>
Enter Greater of 2% of Adjusted 2017-2018 General Fund Expenditures or \$250,000	<u>\$ 1,616,919</u>
Allowable Adjustments	<u>537,358</u>
Maximum Unassigned Fund Balance	<u>\$ 2,154,277</u>

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2018	\$ 24,949,122
Decreased by:	
Year End Encumbrances	941,502
Capital Reserve	17,597,593
Maintenance Reserve	2,200,000
Emergency Reserve	855,750
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>600,000</u>
Total Unassigned Fund Balance	<u>\$ 2,754,277</u>

**SECTION 3**

<b>Reserved Fund Balance - Excess Surplus</b>	<u>\$ 600,000</u>
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**Recapitulation of Excess Surplus as of June 30, 2018**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 600,000
Reserved Excess Surplus	<u>600,000</u>

<b>Total Excess Surplus</b>	<u>\$ 1,200,000</u>
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**Detail of Allowable Adjustments**

Extraordinary Aid (Unbudgeted)	\$ 468,650
Nonpublic Transportation Aid (Unbudgeted)	<u>68,708</u>

\$ 537,358

**PARAMUS BOARD OF EDUCATION  
RECOMMENDATIONS**

**I. Administrative Practice and Procedures**

There are none.

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

There are none.

**III. School Purchasing Program**

There are none.

**IV. School Food Service Program**

There are none.

**V. Student Body Activities**

There are none.

**VI. Application for State School**

There are none.

**VII. Pupil Transportation**

There are none.

**VIII. Facilities and Capital Assets**

There are none.

**IX. Miscellaneous**

There are none.

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

A review was performed on the prior year recommendation and corrective action was taken.

**PARAMUS BOARD OF EDUCATION  
RECOMMENDATIONS**

**ACKNOWLEDGEMENT**

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

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Gary W. Higgins  
Public School Accountant  
Certified Public Accountant