

**CARLSTADT BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2020**

**CARLSTADT BOARD OF EDUCATION
TABLE OF CONTENTS**

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE**

	<u>Page No.</u>
Report of Independent Auditor	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-4
School Purchasing Programs	4-5
Food Service Fund	5-6
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	6
Facilities and Capital Assets	7
Testing for Lead of all Drinking Water in Education Facilities	7
Follow Up on Prior Year Findings	7
Schedule of Meal Count Activity – Not Applicable	8
Schedule of Net Cash Resources	9
Schedule of Audited Enrollments	10-12
Calculation of Excess Surplus	13
Recommendations	14
Acknowledgment	15



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AUDITOR'S MANAGEMENT REPORT

Honorable President and Members
of the Board of Trustees
Carlstadt Board of Education
Carlstadt, 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 Carlstadt Board of Education as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated January 29, 2021

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 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.

Respectfully submitted,


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


Andrew D. Parente
Public School Accountant
PSA Number CS002246

Fair Lawn, New Jersey
January 29, 2021

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's Comprehensive Annual Financial Report ("CAFR").

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Megan Slamb	Board Secretary/School Business Administrator	\$200,000

There is Public Employees' Dishonesty coverage with Selective Insurance Company of America covering all other employees with coverage of \$500,000 per loss.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any 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 payroll taxes 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 Board Secretary/Business Administrator.

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

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

The School Business Administrator completed and filed the required Certification (E-CERT1) of Compliance with Federal and State Law respecting the reporting of compensation of certain employees.

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

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Financial Planning, Accounting and Reporting (Continued)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the year end 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.

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: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.

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's monthly financial reports was included in the minutes.

The prescribed contractual order system was followed.

Finding – Our audit revealed a balance due at June 30, 2020 from the Borough for the fiscal year 2020 tax levy in the amount of \$1,046,601. The amount was subsequently received on July 2, 2020, therefore no recommendation is warranted.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the contribution method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Fiduciary 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. financial exhibits are contained within the Special Revenue Fund of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I through Title IV of the Elementary and Secondary Education Act as amended and reauthorized.

Our examination of the E.S.E.A. 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.

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal and/or State Projects

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

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

The financial exhibits are contained with the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

TPAF 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.

TPAF 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

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) 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 \$19,000 for 2019-20.

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.

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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

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

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

Finding – Our audit of certain purchases revealed that Cooperative Purchasing and State contract detailed documentation was not available to support amounts charged per vendor invoices for computers and cafeteria tables awarded through Cooperative and State contract purchasing agreements.

Recommendation – It is recommended that, in addition to awarding contracts to approved cooperative purchasing and state contract vendors, the District obtain detailed documentation to support the per unit amounts charged on the vendor invoices.

Finding – Our audit revealed that two (2) competitive quotes were not retained on file for painting and plumbing services.

Recommendation – Quotes obtained for services in excess of the quote threshold be retained and made available for audit.

Food Service Fund

COVID – 19 EMERGENCY

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus all Public, Charter, Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to Free and Reduced Price eligible students during the period of school closures.

Therefore, SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A. 18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of Free and Reduced Price meal eligible students.

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

The school food service program was not selected as a major federal and/or State program. 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.

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

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Food Service Fund (Continued)

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts 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.

USDA Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The school district maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Exhibits reflecting Child Nutrition Program operations are included in the section of the CAFR entitled Enterprise Funds as Exhibits B-4, B-5 and B-6.

Student Body Activities

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

The financial records of the student body activity funds were maintained in good condition.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2019 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, 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 immaterial exceptions noted. The information that was included on the workpapers was verified with no exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2019-20 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 Audit 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.

**CARLSTADT BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 awarding the contracts for eligible facilities construction.

Finding – Our audit revealed that approval from the Office of School Facilities was not obtained prior to the transfer of funds from the capital reserve account.

Recommendation – Office of School Facilities approval be obtained prior to transferring funds from the Capital Reserve account.

Testing for Lead of all Drinking Water in Education Facilities

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

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

Follow Up On Prior Year Findings

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

**CARLSTADT 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, 2020**

**NOT APPLICABLE –
INFORMATION IS NOT REQUIRED**

**CARLSTADT BOARD OF EDUCATION
FOOD SERVICE FUND
NET CASH RESOURCE SCHEDULE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

		Food Service
<u>Net Cash Resources:</u>		
CAFR	*	
B-4	Current Assets	
B-4	Cash & Cash Equiv.	\$ 17,113
B-4	Due from Other Gov'ts	2,912
B-4	Due from Other Funds	48,089
CAFR	Current Liabilities	
B-4	Less Accounts Payable	<u>(6,779)</u>
	Net Cash Resources	<u>\$ 61,335</u>

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	232,469
B-5	Less Depreciation	<u>(5,614)</u>
	Adj. Tot. Oper. Exp.	<u>\$ 226,855</u>

Average Monthly Operating Expense: **\$ 22,686**

Three times monthly Average: **\$ 68,057**

NET CASH RESOURCES	\$	61,335
LESS THREE TIMES MONTHLY AVERAGE EXPENSES	\$	68,057
NET	\$	(6,722)

Net cash resources are below 3 X average monthly operating expenses by \$6,722.

**CARLSTADT BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2019**

	2020-2021						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 Register 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 - 3 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 3 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool - 4 years	27	-	27	-	-	-	27	-	27	-	-	-	-	-	-	-
Full Day Preschool - 4 years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	57	-	57	-	-	-	57	-	57	-	-	-	-	-	-	-
1st Grade	36	-	36	-	-	-	36	-	36	-	-	-	-	-	-	-
2nd Grade	47	-	47	-	-	-	47	-	47	-	-	-	-	-	-	-
3rd Grade	43	-	43	-	-	-	43	-	43	-	-	-	-	-	-	-
4th Grade	46	-	46	-	-	-	46	-	46	-	-	-	-	-	-	-
5th Grade	45	-	45	-	-	-	45	-	45	-	-	-	-	-	-	-
6th Grade	59	-	59	-	-	-	59	-	59	-	-	-	-	-	-	-
7th Grade	47	-	47	-	-	-	47	-	47	-	-	-	-	-	-	-
8th Grade	52	-	52	-	-	-	52	-	52	-	-	-	-	-	-	-
9th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	459	-	459	-	-	-	459	-	459	-	-	-	-	-	-	-
Spec Ed - Elementary	52	-	52	-	-	-	52	-	52	-	-	-	-	-	-	-
Spec Ed - Middle School	27	-	27	-	-	-	27	-	27	-	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	79	-	79	-	-	-	79	-	79	-	-	-	-	-	-	-
Totals	538	-	538	-	-	-	538	-	538	-	-	-	-	-	-	-
Percentage Error					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>

CARLSTADT BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2019

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as	Reported on Workpapers as	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as	Reported on Workpapers as	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
	Low Income	Low Income					Low Income	Low Income				
Half Day Preschool (3 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool (3 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool (4 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool (4 Yrs)	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	21	21	-	7	7	-	5	5	-	4	4	-
1st Grade	8	8	-	3	3	-	3	3	-	2	2	-
2nd Grade	7	7	-	2	2	-	4	4	-	3	3	-
3rd Grade	13	13	-	4	4	-	2	2	-	1	1	-
4th Grade	12	12	-	4	4	-	2	2	-	1	1	-
5th Grade	13	13	-	4	4	-	2	2	-	1	1	-
6th Grade	21	21	-	7	7	-	1	1	-	1	1	-
7th Grade	12	12	-	4	4	-	1	-	1	-	-	-
8th Grade	19	19	-	6	6	-	-	-	-	-	-	-
9th Grade	-	-	-	-	-	-	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	126	126	-	41	41	-	20	19	1	13	13	-
Spec Ed - Elementary	23	22	1	9	9	-	8	8	-	6	6	-
Spec Ed - Middle School	12	9	3	4	4	-	-	-	-	-	-	-
Spec Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	35	31	4	13	13	-	8	8	-	6	6	-
Totals	161	157	4	54	54	-	28	27	1	19	19	-
Percentage Error			<u>2.48%</u>			<u>0.00%</u>			<u>3.57%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public			-			-
Transported - Non-Public			-			-
Regular - Spec.	1	1	-	1	1	-
Special Needs - Public	14	14	-	12	12	-
Totals	15	15	-	13	13	-
			<u>0.00%</u>			<u>0.00%</u>

**CARLSTADT BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
10/15/2019**

	LEP Not 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 Register	Sample Errors
	Half Day Preschool (3 Yrs)	-	-	-	-	-
Full Day Preschool (3 Yrs)	-	-	-	-	-	-
Half Day Preschool (4 Yrs)	-	-	-	-	-	-
Full Day Preschool (4 Yrs)	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	3	3	-	2	2	-
1st Grade	1	1	-	1	1	-
2nd Grade	5	5	-	3	3	-
3rd Grade	3	3	-	2	2	-
4th Grade	-	-	-	-	-	-
5th Grade	2	2	-	1	1	-
6th Grade	1	1	-	1	1	-
7th Grade	1	1	-	1	1	-
8th Grade	1	1	-	1	1	-
9th Grade	-	-	-	-	-	-
10th Grade	-	-	-	-	-	-
11th Grade	-	-	-	-	-	-
12th Grade	-	-	-	-	-	-
Subtotal	17	17	-	12	12	-
Spec Ed - Elementary	6	6	-	4	4	-
Spec Ed - Middle School	1	1	-	1	1	-
Spec Ed - High School	-	-	-	-	-	-
Subtotal	7	7	-	5	5	-
Totals	24	24	-	17	17	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**CARLSTADT BOARD OF EDUCATION
CALCULATION OF EXCESS SUPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2019-2020 Total General Fund Expenditures per the CAFR	\$ 13,100,433
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>1,666,949</u>
Adjusted 2019-2020 General Fund Expenditures	\$ <u>11,433,484</u>
2% of Adjusted 2019-2020 General Fund Expenditures	<u>\$ 228,670</u>
Enter Greater of 2% of Adjusted 2019-2020 General Fund Expenditures or \$250,000	\$ 250,000
Increased by: Allowable Adjustments-Extraordinary Aid	<u>146,288</u>
Maximum Unassigned Fund Balance	<u>\$ 396,288</u>
Total General Fund - Fund Balance at June 30, 2020 (Per CAFR Budgetary Comparison Schedule/Statement)	\$ 6,861,739
Decreased by:	
Year End Encumbrances	\$ 174,544
Restricted Fund Balance - Excess Surplus-Designated for Subsequent Year's Expenditures	1,737,227
Restricted Fund Balance - Capital Reserve-Designated for Subsequent Year's Expenditures	571,356
Restricted Fund Balance - Capital Reserve	2,280,744
Restricted Fund Balance - Maintenance Reserve	635,475
Restricted Fund Balance - Emergency Reserve	250,000
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	<u>113,750</u>
	<u>5,763,096</u>
Total Unassigned Fund Balance	<u>\$ 1,098,643</u>
Restricted Fund Balance - Excess Surplus	<u>\$ 702,355</u>
<u>Recapitulation of Excess Surplus as of June 30, 2020</u>	
Excess Surplus-Designated for Subsequent Year's Expenditures	\$ 1,737,227
Excess Surplus	<u>702,355</u>
Total Excess Surplus	<u>\$ 2,439,582</u>

**CARLSTADT BOARD OF EDUCATION
RECOMMENDATIONS**

I. **Administration Practices and Procedures**

There are none.

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

There are none.

III. **School Purchasing Program**

It is recommended that:

1. Quotes obtained for services in excess of the quote threshold be retained and made available for audit.
2. In addition to awarding contracts to approved cooperative purchasing and state contract vendors, the District obtain detailed documentation to support the per unit amounts charged on the vendor invoices.

IV. **School Food Service**

There are none.

V. **Student Body Activities**

There are none.

VI. **Application for State School Aid (ASSA)**

There are none.

VII. **Pupil Transportation**

There are none.

VIII. **Facilities and Capital Assets**

It is recommended that Office of School Facilities approval be obtained prior to the transfer of funds from the capital reserve account.

IX. **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



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