

**JERSEY CITY PUBLIC SCHOOLS**

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

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**JERSEY CITY PUBLIC SCHOOLS**  
**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -**  
**FINANCIAL, COMPLIANCE AND PERFORMANCE**  
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## REPORT OF INDEPENDENT AUDITOR'S


The Honorable President and  
Members of the Board of Education  
Jersey City Public Schools  
County of Hudson  
Jersey City, New Jersey

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Jersey City Public Schools in the County of Hudson for the year ended June 30, 2021 and have issued our report thereon dated March 15, 2022.

As part of our audit, we performed procedures required by the New Jersey Department of Education, 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 of the Jersey City Public School's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

  
DONOHUE, GIRONDA, DORIA & TOMKINS, LLC  
*Certified Public Accountants*

  
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No. 2541

Bayonne, New Jersey  
March 15, 2022

**JERSEY CITY PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SCOPE OF AUDIT**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, 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 ACFR.

**Official Bonds at June 30, 2021 (N.J.S.A. 18A:17-26, 18A:17:32)**

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Amount</u></b>
Franklin Walker	Superintendent	\$2,000,000
Regina Robinson	Business Administrator/Board Secretary	\$2,000,000
Elizabeth Castillo	Treasurer of School Monies	\$2,000,000
Sheryl Marcano	Assistant Treasurer of School Monies	\$2,000,000

The District did have a Public Employee's Faithful Performance Blanket Position Bond with the New Jersey School Boards Association Insurance Group covering all other employees with multiple coverage of \$250,000.

**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 and Position Control Roster**

The net salaries of all employees of the Board were deposited in the Salary Account (payroll account). Employees' payroll deductions and employer's share of payroll taxes were deposited in the Salary Escrow Account (payroll agency account).

Salary withholdings were promptly remitted to the proper agencies, including health benefit withholding due to the general fund.

Payrolls were delivered to the Treasurer of School Monies with a warrant made to her order for the full amount of each payroll.

**Finding 2021-001 (ACFR Finding 2021-001):**

While the District is tracking compensated absences, it is not aggregating compensated absences and calculating value of liability at year end for reporting purposes, nor monitoring the accuracy and completeness of tracking. The liability projected for reporting purposes could be materiality misstated. This finding is repeated from prior year.

**Recommendation:**

The District aggregate compensated absences and calculate value of liability at year end for reporting purposes and monitor the accuracy and completeness of compensated absences tracking.

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No discrepancies were noted.

**JERSEY CITY PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)**

**Travel**

No exceptions were noted.

**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 classification to determine overall reliability and compliance with N.J.A.C. 6A:23-8.2. As a result of the procedures performed, no transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**A. General Classification Findings** - No exceptions were noted

**B. Administrative Classification Findings** – No exceptions were noted

**Board Secretary's Records/School Business Administrator**

Our review of the financial and accounting records maintained by the Board Secretary/Business Administrator disclosed the following exceptions.

**Finding 2021-002 (ACFR Finding 2021-002):**

Monitoring or closing procedures are not being performed to review bank reconciliations and agree balances to general ledger on a regular nor timely basis. Adjustments were made during the independent audit of financial statements without adequate support, whereby cash could be materiality misstated, expenditures may be misclassified, and rights or obligations may exist that are not reported.

**Recommendation:**

Monitoring and performing closing procedures be performed to review bank reconciliations and agree balances to general ledger on a regular and timely basis.

**Finding 2021-003 (ACFR Finding 2021-003):**

Monitoring or closing procedures are not being performed to review accounting of grant expenditures and receivables for accuracy, completeness, and rights.

**Recommendation:**

Monitoring and closing procedures be performed to review accounting of grant expenditures and receivables for accuracy, completeness, and rights. Adjustments were made during the independent audit of the financial statements without adequate support, whereby grant expenditures may be misclassified and receivables may be overstated.

**Finding 2021-004 (ACFR Finding 2021-004):**

A food service program deficit was found during the independent audit of financial statements. The general fund transferred a contribution to the food service fund to cover the deficit, however a budget appropriation balance was not available, resulting in an over-expenditure of budget appropriation and noncompliance with N.J.A.C. 6A:23-16.10.

**Recommendation:**

Food service operations be monitored and any deficits funded with general fund contribution be transferred timely and with a budget appropriation.

**JERSEY CITY PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)**

**Treasurer's Records**

The Treasurer did perform cash reconciliations and made monthly reports to the Board in the manner and form prescribed in accordance with N.J.S.A. 18A:17-36.

The Treasurer's records were in agreement with the Board Secretary's records. Receipts and disbursements were properly identified and allocated to their appropriate accounts.

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

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

**Other Special Federal and/or State Projects**

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

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

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

**T.P.A.F. Reimbursement**

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.

**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 District to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the 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 \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school transportation contracts under *N.J.S.A.* 18A:39-3 is currently \$19,600 for 2020-21.

The District 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 Solicitor'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 goods or service, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

**JERSEY CITY PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SCHOOL PURCHASING PROGRAMS (Continued)**

Based on the results of our examination, we did not note any individual payments, contracts, or agreements 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, or requests for proposals, 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.

**SCHOOL FOOD SERVICE**

**Public Health Emergency**

In accordance with the Governor’s Declaration of Emergency pertaining to the COVID 19 Virus all 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, the District was required to institute alternate procedures to provide meals to free and reduced price eligible students during the period of school closures.

During 2020-21 the public health emergency was still applicable. As a result, the District was required to provide meals in accordance with regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) option. The District provided meals in accordance with SFSP option.

The District was authorized to solicit and award emergency noncompetitive procurements and contracts with its food service management company (FSMC) in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The District was also authorized to submit contract modifications to their existing cost reimbursable or fixed price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

The District was 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 Jersey City Public Schools utilizes the Community Eligibility Option at individual schools that meet eligibility requirements. The criteria to determine if a school qualified for this program is if equal to or greater than forty percent (40%) of the students in a particular school within the district are eligible for free or reduced price meals, then the entire student population of the school receives free meals. The State Aid reimbursement for the participating schools is calculated by utilizing the actual number of meals served multiplied by the percentage of students in each category to determine the number of eligible meals served by category.

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

Cash receipts and bank records were reviewed for timely deposit.

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

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

The District recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SFSP program requirements.

Net cash resources did not exceed three months average expenditures.

**JERSEY CITY PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SCHOOL FOOD SERVICE (Continued)**

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education/board of trustees. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. The District also utilized the Community Eligibility Option for schools that met the eligibility criteria. Under this option all students were eligible for free breakfast and lunch. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications /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 and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

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 District did not have any non-program foods purchased, prepared, sold, or offered for sale during 2021.

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

**C.A.S.P.E.R. PROGRAM – ENTERPRISE FUND**

The financial transactions of the after school program were maintained in good condition.

**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 Fiduciary Trust Fund. The following was noted:

**Finding 2021-005:**

The impact of the COVID-19 emergency dramatically increased the volume of unemployment claims the District incurred to a level the District was not able to adequately review and dispute individual claims before processing. The unemployment compensation insurance trust fund was depleted during 2021 causing the District to incur costs not anticipated. This finding is repeated from prior year.

**Recommendation:**

The District increase level of qualified staffing and resources to adequately review and dispute any discrepancies in unemployment claims on a timely basis.

**STUDENT BODY ACTIVITIES**

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

Overall, cash receipts and disbursements records for the schools were maintained in satisfactory condition.



**JERSEY CITY PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**APPLICATION FOR STATE SCHOOL AID**

Our audit procedures included a test of information reported in the October 15, 2020, Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low income and bilingual. 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 no 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 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 October 15, 2020 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with certain immaterial differences as noted in the previous section. The results of our procedures are presented in the Schedule of Audited Enrollments with exceptions noted in the ASSA section. The following exception was noted:

**Finding 2021-006:**

The District overstated 31 regular students and 1 special education student in the October 15, 2020 District Report of Transported Resident Students (DRTRS). The District information was not reviewed for accuracy and completeness prior to resubmission, nor was able to resubmit information provided by the County over 30 days after the State's resubmission deadline as it had been able to in the past. This finding is repeated from prior year.

**Recommendation:**

The District maintain accurate and complete District Report of Transported Resident Students (DRTRS) information so that it can timely submit reports before State's filing deadline.

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 SDA grant agreement for consistency 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. No exceptions were noted:

**TESTING FOR LEAD OF ALL DRINKING WATER IN EDUCATIONAL FACILITIES**

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

**OTHER SUGGESTIONS TO MANAGEMENT**

**Workers Compensation Settlement Records**

The District has had several orders approving settlements for lifetime medical coverage from workers' compensation claims over the years, however, due to record retention laws, the District has purged these files, as they are no longer considered active. We recommend that the District maintain copies of all lifetime settlements to support payments being made by the District's third-party administrator on its behalf.

**JERSEY CITY PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**OTHER SUGGESTIONS TO MANAGEMENT (Continued)**

**Escheat Property**

The District has previously identified and voided old outstanding checks and currently has recorded these amounts as other liabilities in the District's general ledger. The District should further investigate these amounts to ensure that they are appropriately classified as unclaimed property, and if so, remitted to the State of New Jersey.

**New Jersey Earned Sick Leave Law**

The New Jersey Earned Sick Leave Law was effective October 29, 2018. This law allows employees to accrue 1 hour of earned sick leave for every 30 hours worked, up to 40 hours each calendar year. We suggest that Districts perform a review each year to determine if there are any employees not previously eligible to receive earned sick leave who are now entitled to under this law and that adequate records are maintained for the accrual of the earned sick leave.

**FOLLOW-UP ON PRIOR YEAR FINDINGS**


In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action has not been taken on the prior year findings, which are repeated in this year's recommendations noted as current year findings 2021-001, 2021-005, and 2021-006 as follows:

- The District aggregate compensated absences and calculate value of liability at year end for reporting purposes and monitor the accuracy and completeness of compensated absences tracking. (2021-001)
- The District increase level of qualified staffing and resources to adequately review and dispute any discrepancies in unemployment claims on a timely basis. (2021-005)
- The District maintain accurate and complete District Report of Transported Resident Students (DRTRS) information so that it can timely submit reports before State's filing deadline. This finding is repeated from prior year. (2021-006)

**ACKNOWLEDGMENT**

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.

  
DONOHUE, GIRONDA, DORIA & TOMKINS, LLC  
*Certified Public Accountants*

  
MAURICIO CANTO  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2541

Bayonne, New Jersey  
March 15, 2022

**CITY OF JERSEY CITY SCHOOL DISTRICT  
SCHEDULE OF MEAL COUNT ACTIVITY  
ENTERPRISE FUND  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER) UNDER CLAIM - FEDERAL  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

<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 (High Rate)	Free	25,390	13,327	13,327	-	3.53	\$ -
School Breakfast (Regular Rate)	Free	3,559	1,862	1,862	-	1.89	-
School Breakfast (Severe Needs Rate)	Free	21,831	11,465	11,465	-	2.260	-
	Total	<u>50,780</u>	<u>26,654</u>	<u>26,654</u>	<u>-</u>		<u>-</u>
National School Lunch	HHFKA - PB Lunch Only	<u>25,390</u>	<u>13,327</u>	<u>13,327</u>	<u>-</u>	0.07	<u>-</u>
Summer Food Service After School Snacks	Free	<u>1,010</u>	<u>673</u>	<u>673</u>	<u>-</u>	0.9775	<u>-</u>
Summer Food Service Calendar Year 2020 (Self-Prepared Rate)	Breakfast	484,048	99,133	99,133	-	2.375	-
Summer Food Service Calendar Year 2020 (Vendor Rate)	Lunch or Supper	<u>484,048</u>	<u>99,133</u>	<u>99,133</u>	<u>-</u>	4.0875	<u>-</u>
	Total	<u>968,096</u>	<u>198,266</u>	<u>198,266</u>	<u>-</u>		<u>-</u>
Summer Food Service Calendar Year 2021 (Self-Prepared Rate)	Breakfast	210,279	75,872	75,872	-	2.4625	-
Summer Food Service Calendar Year 2020 (Vendor Rate)	Breakfast	232,441	83,978	83,978	-	2.415	-
Summer Food Service Calendar Year 2020 (Vendor Rate)	Lunch or Supper	<u>442,720</u>	<u>159,850</u>	<u>159,850</u>	<u>-</u>	4.25	<u>-</u>
	Total	<u>885,440</u>	<u>319,700</u>	<u>319,700</u>	<u>-</u>		<u>-</u>
Total Net (Over)/Under Claim					<u>-</u>		<u>\$ -</u>

**CITY OF JERSEYCITY SCHOOL DISTRICT**  
**SCHEDULE OF MEAL COUNT ACTIVITY**  
**ENTERPRISE FUND**  
**FOOD SERVICE FUND**  
**NUMBER OF MEALS SERVED AND (OVER) UNDER CLAIM - STATE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2021**

<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 (High Rate)	Free	25,390	13,327	13,327	-	0.255	\$ -
Total Net (Over)/Under Claim					-		\$ -

**JERSEY CITY PUBLIC SCHOOLS**  
**Proprietary Funds - Food Service**  
**Net Cash Resources Schedule**  
**for the Fiscal Year Ended June 30, 2021**

<b>ACFR Exhibit</b>	<b>Food Service ACFR Exhibits B-4/5</b>
<b>NET CASH RESOURCES</b>	
Current assets:	
B-4      Cash and cash equivalents	\$ 1,168,968
Intergovernmental receivable:	
B-4      State	3,989
B-4      Federal	657,070
B-4      Accounts receivable	1,143
Less current liabilities:	
B-4      Interfund payable	(1,851,785)
B-4      Accounts payable	(5,241)
B-4      Accrued salaries and wages	(45,742)
B-4      Unearned revenue	(212,981)
Net cash resources	<u><u>\$ (284,579) (A)</u></u>
<b>NET ADJUSTED TOTAL OPERATING EXPENSES</b>	
B-5      Total operating expenses	\$ 9,140,789
B-5      Less Depreciation	(115,081)
Total net adjusted total operating expenses	<u><u>\$ 9,025,708 (B)</u></u>
<b>AVERAGE MONTHLY OPERATING EXPENSES</b>	
(B) divided by (÷) 10	<u><u>\$ 902,571 (C)</u></u>
<b>THREE TIMES MONTHLY AVERAGE</b>	
(C) times (x) 3	<u><u>\$ 2,707,713 (D)</u></u>
TOTAL IN BOX (A)	\$ (284,579)
LESS TOTAL IN BOX (D)	(2,707,713)
NET	<u><u>\$ (2,992,292)</u></u>

**Net cash resources do not exceed three months of average monthly expenditures**

CITY OF JERSEY CITY SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2020

**SCHEDULE OF AUDITED ENROLLMENTS**

	2021-2022 Application for State School Aid				Sample of Verification				Private Schools for Disabled					
	Reported on A.S.S.A. On Roll		Workpapers Selected from		Registers On Roll		Registers On Roll		Reported on A.S.S.A. as Private Schools		Sample Verification		Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool-3yr	393	-	393	-	393	-	393	-	-	-	-	-	-	-
Full Day Preschool-4yr	1,741	-	1,741	-	1,741	-	1,741	-	-	-	-	-	-	-
Full Day Kindergarten	1,860	-	1,860	-	1,860	-	1,860	-	-	-	-	-	-	-
One	1,859	-	1,859	-	1,859	-	1,859	-	-	-	-	-	-	-
Two	1,734	-	1,734	-	1,734	-	1,734	-	-	-	-	-	-	-
Three	1,745	-	1,745	-	1,745	-	1,745	-	-	-	-	-	-	-
Four	1,619	-	1,619	-	1,619	-	1,619	-	-	-	-	-	-	-
Five	1,560	-	1,560	-	1,560	-	1,560	-	-	-	-	-	-	-
Six	1,483	-	1,483	-	1,483	-	1,483	-	-	-	-	-	-	-
Seven	1,673	-	1,673	-	1,673	-	1,673	-	-	-	-	-	-	-
Eight	1,659	-	1,659	-	1,659	-	1,659	-	-	-	-	-	-	-
Nine	1,444	-	1,444	-	1,444	-	1,444	-	-	-	-	-	-	-
Ten	1,383	-	1,383	-	1,383	-	1,383	-	-	-	-	-	-	-
Eleven	1,375	-	1,375	-	1,375	-	1,375	-	-	-	-	-	-	-
Twelve	1,303	-	1,303	-	1,303	-	1,303	-	-	-	-	-	-	-
Adult HS (15+ Credits)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	22,831	-	22,831	-	22,831	-	22,831	-	-	-	-	-	-	-
Special Education-Elementary	1,483	-	1,483	-	1,483	-	1,483	-	-	-	-	-	38	-
Special Education-Middle	926	-	926	-	926	-	926	-	-	-	-	-	27	-
Special Education-Highschool	972	-	972	-	972	-	972	-	-	-	-	-	48	-
Subtotal	3,381	-	3,381	-	3,381	-	3,381	-	-	-	-	-	113	-
Co. Voc - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS	26,212	-	26,212	-	26,212	-	26,212	-	-	-	-	-	113	0.00%

CITY OF JERSEY CITY SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2020

**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	Sample Selected from Workpapers	Verified to Application and Register	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Sample Selected from Workpapers	Verified to Test Score and Register
Full Day Preschool-3yr	57	57	-	-	-	-	-	-
Full Day Preschool-4yr	546	546	-	-	-	-	-	-
Full Day Kindergarten	995	995	2	2	158	158	18	18
One	1,097	1,097	2	2	216	216	22	22
Two	1,080	1,080	2	2	212	212	25	25
Three	1,088	1,088	2	2	215	215	27	27
Four	1,017	1,017	2	2	197	197	28	28
Five	956	956	2	2	151	151	22	22
Six	923	923	2	2	88	88	20	20
Seven	1,114	1,114	2	2	155	155	20	20
Eight	1,115	1,115	2	2	144	144	15	15
Nine	938	938	2	2	142	142	10	10
Ten	816	816	2	2	135	135	9	9
Eleven	726	726	2	2	113	113	8	8
Twelve	671	671	2	2	89	89	8	8
Subtotal	13,139	13,139	26	26	2,015	2,015	232	232
Special Education-Elementary	999	999	3	3	132	132	34	34
Special Education-Middle	692	692	3	3	40	40	10	10
Special Education-Highschool	693	693	3	3	24	24	8	8
Subtotal	2,384	2,384	9	9	196	196	52	52
Co. Voc. Ft. Post Sec								
TOTALS	15,523	15,523	35	35	2,211	2,211	284	284
								0.00%

	Transportation		Sample for Verification		Resident LEP Low Income		Sample for Verification	
	Reported on DTRTS by DOE/County	Reported on DTRTS by District	Sample Selected from Workpapers	Verified to Application and Register	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Sample Selected from Workpapers	Verified to Test Score and Register
Reg. - Public Schools, col. 1	1,546	1,577	279	279	-	-	-	-
Reg - SpEd, col. 4	930	931	232	232	-	-	-	-
Transported - Non-Public, col. 3	504	504	98	98	-	-	-	-
Special Ed Spec, col. 6	798	798	232	232	-	-	-	-
TOTALS	3,778	3,810	841	841	-	-	-	-
								0.00%

Reg Avg (Mileage) = Regular including Grade PK Students  
 Reg Avg (Mileage) = Regular excluding Grade PK Students  
 Special Avg = Special Ed w/ Special Needs

Reported \_\_\_\_\_ Recalculated \_\_\_\_\_  
 2.7 2.7  
 3.6 3.6  
 3.3 3.3

CITY OF JERSEY SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2020

**SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten						
One	89	89	-	19	19	-
Two	154	154	-	25	25	-
Three	127	127	-	26	26	-
Four	120	120	-	21	21	-
Five	108	108	-	25	25	-
Six	79	79	-	18	18	-
Seven	67	67	-	14	14	-
Eight	40	40	-	15	15	-
Nine	41	41	-	14	14	-
Ten	47	47	-	11	11	-
Eleven	86	86	-	10	10	-
Twelfth	81	81	-	10	10	-
Subtotal	78	78	-	11	11	-
	1,117	1,117	-	219	219	-
Special Education-Elementary	52	52	-	24	24	-
Special Education-Middle	6	6	-	6	6	-
Special Education-Highschool	6	6	-	5	5	-
Subtotal	64	64	-	35	35	-
TOTALS	1,181	1,181	-	254	254	-
			0.00%			0.00%



**JERSEY CITY PUBLIC SCHOOLS  
EXCESS SURPLUS CALCULATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SECTION 1**

Calculation A: 4 Percent Excess Surplus

All districts required to use school-based budgeting are required to complete this calculation using 4 percent on line A10.

2020-2021 Total General Fund Expenditures per the ACFR, Exhibit C-1		\$	<u>653,592,712</u> (A)
Increased by Applicable Operating Transfers:			
Transfer from Capital Outlay to Capital Projects			<u>-</u> (A1a)
Transfer from Reserve to Capital Projects			<u>-</u> (A1a)
Transfer from G/F to SRF for Preschool - Regular			<u>-</u> (A1a)
Transfer from G/F to SRF for Preschool - Inclusion			<u>1,800,000</u> (A1a)
Less:			
Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2			<u>(9,522,002)</u> (A1b)
2020-21 Adjusted General Fund & Other State Expenditures [(A) + (A1a) - (A1b)]		\$	<u>645,870,710</u> (A2)
Decreased by:			
On-Behalf TPAF Pension & Social Security		\$	<u>106,276,308</u> (A3)
Assets Acquired Under Capital Leases:			
General Fund 10 Assets Acquired Under Capital Leases reported on Exhibit C-1a		\$	<u>-</u> (A4)
Add:			
General Fund & State Resources Portion of Fund 15			
Assets Acquired Under Capital Leases:			
Assets Acquired Under Capital Leases in Fund 15 reported on Exhibit C-1a			<u>-</u> (A5)
Combined General Fund Contribution & State Resources % of Fund 15 Resources Reported on Exhibit D-2			<u>96.68%</u> (A6)
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5) x (A6)]			<u>-</u> (A7)
Total Assets Acquired Under Capital Leases [(A4) + (A7)]			<u>-</u> (A8)
2020-21 General Fund Expenditures [(A2) - (A3) - (A8)]		\$	<u>539,594,402</u> (A9)
4% of Adjusted 2020-2021 General Fund Expenditures [(A9) x 4%]		\$	<u>21,583,776</u> (A10)
Enter Greater of (A10) or \$250,000			<u>21,583,776</u> (A11)
Increased by: Allowable Adjustment*			<u>3,452,560</u> (K)
Maximum Unassigned Fund Balance [(A11) + (K)]		\$	<u>25,036,336</u> (M)

**SECTION 2**

Total General Fund - Fund Balances at June 30, 2021		\$	<u>143,030,752</u> (C)
Decreased by:			
Year-end Encumbrances			<u>(29,140,325)</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures			<u>-</u> (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures**			<u>(15,952,495)</u> (C3)
Other Restricted Fund Balances****			<u>(608)</u> (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures			<u>(54,650,000)</u> (C5)
Total Unassigned Fund Balance [(C) - (C1) - (C2) - (C3) - (C4) - (C5)]		\$	<u>43,287,324</u> (U)

**SECTION 3**

Restricted Fund Balance - Excess Surplus***[(U) - (M)] IF NEGATIVE ENTER -0-		\$	<u>18,250,988</u> (E)
Summary:			
Restricted Excess Surplus -- Designated for Subsequent Year's Expenditures**		\$	<u>15,952,495</u> (C3)
Restricted Excess Surplus***[(E)]			<u>18,250,988</u> (E)
Total [(C3) + (E)]		\$	<u>34,203,483</u> (D)

\* This adjustment line (line (K) as detailed below) is to be utilized for Impact Aid, Sale and Lease-back, Extraordinary Aid, Additional Nonpublic School Transportation Aid, and recognized current year School Bus Advertising Revenue, if applicable. Extraordinary Aid and Additional Nonpublic School Transportation Aid for 2020-21 received after June 30 is limited to the amount of revenue recognized in the audit year that was not appropriated.

**JERSEY CITY PUBLIC SCHOOLS  
EXCESS SURPLUS CALCULATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Detail of Allowable Adjustments**

Impact Aid	\$ - (H)
Sale & Lease-back	- (I)
Extraordinary Aid	3,306,400 (J1)
Additional Nonpublic School Transportation Aid	146,160 (J2)
Current Year School Bus Advertising Revenue Recognized	- (J3)
Family Crisis Transportation Aid	- (J4)
 Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]	 \$ 3,452,560 (K)

\*\* This amount represents the June 30, 2020 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amount must agree with the June 30, 2021 ACFR and Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Restricted/Reserved Fund Balance must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to that Assistant to the Commissioner for Finance – Field Services prior to September 30.

- (N-1) Capital reserve at June 30, 2021
- (N-2) Maintenance reserve minimum required under EFCFA
- (N-3) Tuition reserve at June 30, 2021
- (N-4) Emergency reserve at June 30, 2021
- (N-5) School bus fuel offset reserve - current year - June 30, 2021
- (N-6) School bus fuel offset reserve - prior year year - June 30, 2021
- (N-7) Impact Aid general fund reserve at June 30, 2021
- (N-8) Impact Aid capital fund reserve at June 30, 2021

**Detail of Other Restricted Fund Balance**

**Statutory restrictions:**

Approved unspent separate proposal	-
Sale/lease-back reserve	-
Capital reserve (N-1)	608
Maintenance reserve (N-2)	-
Tuition reserve (N-3)	-
Emergency reserve (N-4)	-
School Bus Advertising 50% Fuel Offset Reserve - current year (N-5)	-
School Bus Advertising 50% Fuel Offset Reserve - prior year (N-6)	-
Impact Aid General Fund Reserve (Sections 8002 and 8003) (N-7)	-
Impact Aid Capital Fund Reserve (Sections 8007 and 8008) (N-8)	-
 [Other Restricted Fund Balance not noted above]****	 -
 Total Other Restricted Fund Balance	 \$ 608 (C4)

**JERSEY CITY PUBLIC SCHOOLS  
AUDIT RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

**Finding 2021-001 (ACFR Finding 2021-001)**

The District aggregate compensated absences and calculate value of liability at year end for reporting purposes and monitor the accuracy and completeness of compensated absences tracking.

**Finding 2021-002 (ACFR Finding 2021-002):**

Monitoring and performing closing procedures be performed to review bank reconciliations and agree balances to general ledger on a regular and timely basis.

**Finding 2021-003 (ACFR Finding 2021-003):**

Monitoring and closing procedures be performed to review accounting of grant expenditures and receivables for accuracy, completeness, and rights.

**Finding 2021-004 (ACFR Finding 2021-004)**

Food service operations be monitored and any deficits funded with general fund contribution be transferred timely and with a budget appropriation.

3. School Purchasing Programs

None

4. School Food Services

None

5. C.A.S.P.E.R. Program – Enterprise Fund

None

6. Unemployment Compensation Insurance Trust Fund

**Finding 2021-005:**

The District increase level of qualified staffing and resources to adequately review and dispute any discrepancies in unemployment claims on a timely basis.

7. Student Body Activities

None

8. Application for State School Aid

None

9. Pupil Transportation

**Finding 2021-006:**

The District maintain accurate and complete District Report of Transported Resident Students (DRTRS) information so that it can timely submit reports before State's filing deadline.

**JERSEY CITY PUBLIC SCHOOLS  
AUDIT RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

10. Facilities and Capital Assets

None

11. Testing for Lead and All Drinking Water in Educational Facilities

None

12. Status of Prior Year Audit Findings/Recommendations

Corrective action has not been taken on the prior year findings, which are repeated in this year's recommendations noted as current year findings 2021-001, 2021-004, and 2021-005 as follows:

- The District aggregate compensated absences and calculate value of liability at year end for reporting purposes and monitor the accuracy and completeness of compensated absences tracking. (2021-001)
- The District increase level of qualified staffing and resources to adequately review and dispute any discrepancies in unemployment claims on a timely basis. (2021-005)
- The District maintain accurate and complete District Report of Transported Resident Students (DRTRS) information so that it can timely submit reports before State's filing deadline. This finding is repeated from prior year. (2021-006)