

**PARAMUS BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2021**

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

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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, 2021, and have issued our report thereon dated January 28, 2022.

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 28, 2022

**PARAMUS BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
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 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>
Dr. Alfredo Aguilar	Business Administrator	\$500,000
Steven Cea	Interim Business Administrator (3/2/21-6/30/21)	\$500,000

There is a public employee dishonesty coverage for all other employees with coverage of \$100,000 per employee and \$500,000 per loss with deductibles of \$5,000 and \$100,000, respectively.

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, 2021**

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. A transaction error rate of 2.17 percent overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Finding (Finding 2021-01) – During our test of transactions, it was noted the District mis-classified and mis-budgeted security services for non-public schools as General Supplies. The expenditures and related appropriation were reclassified to Security-Purchased Professional and Technical Services.

Recommendation – It is recommended that the District reference “The Uniform Minimum Chart of Accounts for New Jersey Public Schools” and other available reference materials, such as the Budget Guidelines, for the proper budget classifications required to be in compliance with N.J.A.C. 6A:23A-16.2(f).

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.

The Board Secretary’s and Board designee’s reports were presented monthly to the Board on a timely basis and were submitted to the executive county superintendent as prescribed by (N.J.S.A. 18A:17-9 and 18A:17-36).

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

The Board has adopted the direct reimbursement method. The financial transactions of this fund are reported in the General Fund.

**PARAMUS BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Financial Planning, Accounting and Reporting (Continued)

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

The 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.

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, 2020 and thereafter 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 - "QPA") and \$32,000 (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 \$19,600.

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 \$44,000.

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.

**PARAMUS BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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.

School Food Service

Public Health Emergency

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency 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.

During SY 2020-2021 the public health emergency was still applicable. As a result, School Food Authorities (SFA's) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) option.

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 all children throughout the age of 18, as well as persons age 18 with disabilities as defined in the regulations.

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. 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.

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amount to the SFA.

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.

**PARAMUS BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

School Food Service (Continued)

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 cost reimbursable or fixed price 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 \$35,000. The FSMC met the guarantee of \$35,000. 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.

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 disabled, related services, low income and bilingual. We also performed a review of the District procedures related to its completion. 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.

**PARAMUS BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2020-21 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. Capital assets financial records were prepared by a third party service provider and were properly maintained.

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 unexpended 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, 2021**

NOT APPLICABLE

**PARAMUS BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Net Cash Resources

Current Assets

Cash and Cash Equivalents	\$ 3,785
Intergovernmental Receivable	105,141

Current Liabilities

Less:	
Accounts Payable	(15,012)

Net Cash Resources	\$ 93,914
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Adjusted Total Operating Expense:

Total Operating Expenses	\$ 365,742
Less Depreciation	(16,174)
Adjusted Total Operating Expense	\$ 349,568

<u>Average Monthly Operating Expense:</u>	\$ 34,957
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<u>Three Times Monthly Average:</u>	\$ 104,870
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Total Net Cash Resources	\$ 93,914
Three Times Monthly Average Expenditures	104,870
Excess(Deficit) Cash Resources	\$ (10,956)

**PARAMUS BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2020
SCHEDULE OF AUDITED ENROLLMENTS**

	2021-2022 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 Register On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample from Workpapers	Sample Verified	Sample Errors		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared						
Half Day Preschool 3 yrs	9.0		9.0	-	-	-		9.0	-	9.0	-	-	-	-	-	-	-	
Half Day Preschool 4 yrs	8.0		8.0	-	-	-		7.0		7.0	-	-	-	-	-	-	-	
Full Day Preschool 3 yrs	4.0		4.0	-	-	-		4.0		4.0	-	-	-	-	-	-	-	
Full Day Preschool 4 yrs	11.0		11.0	-	-	-		7.0		7.0	-	-	-	-	-	-	-	
Half Day Kindergarten				-	-	-					-	-	-	-	-	-	-	
Full Day Kindergarten	197.0		197.0	-	-	-		22.0		22.0	-	-	-	-	-	-	-	
Grade 1	188.0		188.0	-	-	-		48.0		48.0	-	-	-	-	-	-	-	
Grade 2	229.0		229.0	-	-	-		31.0		31.0	-	-	-	-	-	-	-	
Grade 3	214.0		214.0	-	-	-		46.0		46.0	-	-	-	-	-	-	-	
Grade 4	211.0		211.0	-	-	-		34.0		34.0	-	-	-	-	-	-	-	
Grade 5	251.0		251.0	-	-	-		126.0		126.0	-	-	-	-	-	-	-	
Grade 6	226.0		226.0	-	-	-		131.0		131.0	-	-	-	-	-	-	-	
Grade 7	244.0		244.0	-	-	-		113.0		113.0	-	-	-	-	-	-	-	
Grade 8	228.0		228.0	-	-	-		122.0		122.0	-	-	-	-	-	-	-	
Grade 9	210.0	3.0	210.0	3.0	-	-		210.0	3.0	210.0	3.0	-	-	-	-	-	-	
Grade 10	220.0	2.0	220.0	2.0	-	-		220.0	2.0	220.0	2.0	-	-	-	-	-	-	
Grade 11	267.0		267.0	-	-	-		267.0	-	267.0	-	-	-	-	-	-	-	
Grade 12	249.0		250.0	-	(1.0)	-		250.0	-	249.0	-	1.0	-	-	-	-	-	
Adult School	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	
Subtotal	2,966.0	5.0	2,967.0	5.0	(1.0)	-		1,647.0	5.0	1,646.0	5.0	1.0	-	-	-	-	-	
Special Ed - Elementary	222.0		222.0	-	-	-		23.0		23.0	-	-	-	6.0	7.0	7.0	-	
Special Ed - Middle	188.0		187.0	-	1.0	-		20.0		20.0	-	-	-	5.0	4.0	4.0	-	
Special Ed - High	216.0	3.0	220.0	3.0	(4.0)	-		23.0	-	23.0	-	-	-	14.0	10.0	10.0	-	
Subtotal	626.0	3.0	629.0	3.0	(3.0)	-		66.0	-	66.0	-	-	-	25.0	21.0	21.0	-	
Totals	3,592.0	8.0	3,596.0	8.0	(4.0)	-		1,713.0	5.0	1,712.0	5.0	1.0	-	25.0	21.0	21.0	-	
Percentage Error					-0.11%	0.00%												0.00%

**PARAMUS BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
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	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 and Register	Verified to Test Score	Errors
	Half Day Preschool 3 yrs	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool 4 yrs	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool 3 yrs	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool 4 yrs	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	11.0	11.0	-	2	2	-	1.0	1.0	-	1	1	-
Grade 1	4.0	4.0	-	1	1	-	-	-	-	-	-	-
Grade 2	15.0	15.0	-	4	4	-	3.0	3.0	-	3	3	-
Grade 3	14.0	14.0	-	3	3	-	1.0	1.0	-	1	1	-
Grade 4	11.0	11.0	-	3	3	-	-	-	-	-	-	-
Grade 5	8.0	8.0	-	2	2	-	-	-	-	-	-	-
Grade 6	15.0	15.0	-	3	3	-	-	-	-	-	-	-
Grade 7	15.0	15.0	-	4	4	-	-	-	-	-	-	-
Grade 8	11.0	11.0	-	3	3	-	-	-	-	-	-	-
Grade 9	13.5	13.5	-	3.0	2.0	1	-	-	-	-	-	-
Grade 10	12.0	12.0	-	3.0	3.0	-	-	-	-	-	-	-
Grade 11	11.0	11.0	-	3.0	3.0	-	-	-	-	-	-	-
Grade 12	16.0	16.0	-	4.0	4.0	-	-	-	-	-	-	-
Subtotal	156.5	156.5	-	38.0	37.0	1.0	5.0	5.0	-	5.0	5.0	-
Special Ed - Elementary	23.0	23.0	-	6.0	6.0	-	-	-	-	-	-	-
Special Ed - Middle	28.0	28.0	-	7.0	7.0	-	-	-	-	-	-	-
Special Ed - High	22.5	22.5	-	5.0	5.0	-	1.0	1.0	-	1.0	1.0	-
Subtotal	73.5	73.5	-	18.0	18.0	-	1.0	1.0	-	1.0	1.0	-
Sent Priv Sch Disabled	-	-	-	-	-	-	-	-	-	-	-	-
Sent to RDS	-	-	-	-	-	-	-	-	-	-	-	-
Sent To CSSD	-	-	-	-	-	-	-	-	-	-	-	-
Other	1.0	1.0	-	-	-	-	-	-	-	-	-	-
Totals	231.0	231.0	-	56.0	55.0	1.0	6.0	6.0	-	6.0	6.0	-
Percentage Error		0.00%			1.79%			0.00%			0.00%	

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
	Reg. - Public Schools	835.0	835.0	-	54.0	54.0
Transported - Non - Public	16.0	16.0	-	2.0	2.0	-
Special Ed. - Public	104.5	104.5	-	7.0	7.0	-
Special Needs - Public	80.5	80.5	-	5.0	5.0	-
	1,036.0	1,036.0	-	68.0	68.0	-
Percentage Error		0.00%			0.00%	

**PARAMUS BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
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 Worpapers	Verified to Application and Register	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	11.0	11.0	-	5.0	5.0	-
Grade 1	14.0	14.0	-	6.0	6.0	-
Grade 2	14.0	14.0	-	6.0	6.0	-
Grade 3	12.0	12.0	-	5.0	5.0	-
Grade 4	5.0	5.0	-	2.0	2.0	-
Grade 5	8.0	8.0	-	4.0	4.0	-
Grade 6	6.0	6.0	-	3.0	3.0	-
Grade 7	10.0	10.0	-	4.0	4.0	-
Grade 8	4.0	4.0	-	2.0	2.0	-
Grade 9	5.0	5.0	-	2.0	2.0	-
Grade 10	2.0	2.0	-	1.0	1.0	-
Grade 11	8.0	6.0	2.0	4.0	4.0	-
Grade 12	7.0	5.0	2.0	3.0	3.0	-
Adult School						
Subtotal	106.0	102.0	4.0	47.0	47.0	-
Special Ed - Elementary	3.0	1.0	2.0	1.0	1.0	-
Special Ed - Middle	1.0	1.0	-	1.0	1.0	-
Special Ed - High	-	-	-	-	-	-
Subtotal	4.0	2.0	2.0	2.0	2.0	-
Totals	110.0	104.0	6.0	49.0	49.0	-
Percentage Error		5.45%			0.00%	

**PARAMUS BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

SECTION 1A - Four Percent (4%) - Calculation of Excess surplus

2020-2021 Total General Fund Expenditures per the CAFR	\$ 95,068,972
Decreased by:	
On-Behalf TPAF Pension & Social Security	(14,294,240)
Adjusted 2020-2021 General Fund Expenditures	<u>\$ 80,774,732</u>
4% of Adjusted 2020-2021 General Fund Expenditures	<u>\$ 3,230,989</u>
Enter Greater of 4% of Adjusted 2020-2021 General Fund Expenditures or \$250,000	\$ 3,230,989
Allowable Adjustments	<u>831,273</u>
Maximum Unassigned Fund Balance	<u>\$ 4,062,262</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2021	\$ 37,354,870
Decreased by:	
Year End Encumbrances	1,845,210
Capital Reserve	25,688,299
Maintenance Reserve	3,434,953
Emergency Reserve	855,750
Excess Surplus - Designated for Subsequent Year's Expenditures	600,000
Unemployment Compensation	266,591
FFCRA/SEMI - Designated for Subsequent Year's Expenditures	<u>1,805</u>
Total Unassigned Fund Balance	<u>\$ 4,662,262</u>

SECTION 3

Reserved Fund Balance - Excess Surplus	<u>\$ 600,000</u>
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Recapitulation of Excess Surplus as of June 30, 2021

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 600,000
Reserved Excess Surplus	<u>600,000</u>
Total Excess Surplus	<u>\$ 1,200,000</u>

Detail of Allowable Adjustments

Extraordinary Aid (Unbudgeted)	\$ 767,166
Nonpublic Transportation Aid (Unbudgeted)	<u>64,107</u>
	<u>\$ 831,273</u>

**PARAMUS BOARD OF EDUCATION
RECOMMENDATIONS**

I. **Administrative Practice and Procedures**

There are none.

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

2021-01 – It is recommended that the District reference “The Uniform Minimum Chart of Accounts for New Jersey Public Schools” and other available reference materials, such as the Budget Guidelines, for the proper budget classification required to be in compliance with N.J.A.C. 6A:23A-16.2(f).

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**

No recommendations were reported in the prior year.

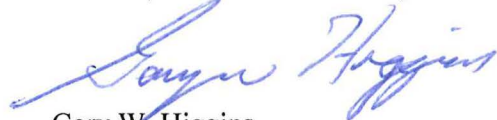
**PARAMUS BOARD OF EDUCATION
RECOMMENDATIONS**

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