

**AUDITORS MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
SCHOOL DISTRICT OF THE
BOROUGH OF RAMSEY
COUNTY OF BERGEN, NEW JERSEY
JUNE 30, 2021**

SCHOOL DISTRICT OF THE BOROUGH OF RAMSEY
COUNTY OF BERGEN, NEW JERSEY

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

TABLE OF CONTENTS

	<u>Page</u> <u>No.</u>
Independent Auditors' Report.	1
Scope of Audit.	2
Administrative Practices and Procedures	
Insurance.	2
Officials Bonds.	2
Tuition Charges.	2
Financial Planning, Accounting and Reporting	
Examination of Claims.	2
Payroll Account and Position Control Roster.	3
Position Control Roster.	3
Reserve for Encumbrances, Liability for Accounts Payable.	4
Classification of Expenditures.	4
Board Secretary's Records.	4
Fixed Assets.	4
Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA).	4
Other Special Federal and/or State Projects.	4
T.P.A.F. Reimbursement.	5
T.P.A.F. Reimbursement to State for Federal Salary Expenditures.	5
Nonpublic State Aid.	5
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids.	5
School Food Service.	6
Student Body Activities.	8
Application for State School Aid.	8
Pupil Transportation.	9
Testing for Lead of All Drinking Water in Education Facilities.	9
Follow-up on Prior Year Findings.	9
Acknowledgment.	9
Schedule of Audited Enrollments.	10
Excess Surplus Calculation.	13
Audit Recommendations Summary.	15



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REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Ramsey School District
County of Bergen, 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 Board of Education of the Ramsey School District in the County of Bergen for the year ended June 30, 2021, and have issued our report thereon dated February 1, 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 Ramsey Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Steven D. Wielkocz

Steven D. Wielkocz, C.P.A.
Licensed Public School Accountant
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Certified Public Accountants
Pompton Lakes, New Jersey

February 1, 2022



**ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING**

GENERAL COMMENTS

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 CAFR.

Officials Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Thomas W. O'Hern	Business Administrator/Board Secretary	(A)

(A) There is a Public Employees' Faithful Performance Blanket Position Bond with Western Surety Company covering all other employees with multiple coverage of \$10,000. There is also an employee dishonesty crime coverage with the School Alliance Insurance Fund covering all employees with coverage of \$500,000.

Tuition Charges

A comparison of tentative charges and actual certified tuition charges was made. The actual costs were more than estimated costs. The Board made a proper adjustment to the billings to sending districts for the increase in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

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.

Financial Planning, Accounting and Reporting, (continued)

Payroll Account and Position Control Roster

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

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withholding 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 required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents, and business administrator) to the NJ Department of Treasury was filed by the March 15 due date.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

Finding 2021-001: The Board of Education approved a merit bonus payment without prior confirmation from the Executive County Superintendent that a quantitative merit criterion had been satisfied and without prior approval by the Executive County Superintendent, as required by *N.J.A.C. 6A:23A-3.1(e) 10.iv*.

Recommendation: The Board of Education business office should establish internal controls to ensure that the Board of Education approved employee merit bonus payments are made only after having obtained: 1) board approval, and 2) receipt of confirmation of the satisfaction of that criterion from the Executive County Superintendent pursuant to having submitted a Board of Education resolution to the Executive County Superintendent certifying that a quantitative merit criterion has been satisfied.

The Board of Education made a merit bonus payment that a quantitative merit criterion or a qualitative merit criterion had been satisfied with prior approval by the District Board of Education and Executive County Superintendent, as required by N.J.A.C. 6A:23A-3.1(e)10.iv.

Position Control Roster

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

Financial Planning, Accounting and Reporting, (continued)

Reserve for Encumbrances, Liability for 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. 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 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 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

The Board Secretary's records were found to be in good order.

Fixed Assets

The capital asset records were updated for the additions and disposals of capital assets made during the year.

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 CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I, II, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated no areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule K-3 and Schedule 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.

Financial Planning, Accounting and Reporting, (continued)

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

The study of compliance for the special projects indicated no areas of noncompliance.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for the 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 Reports 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.

Nonpublic State Aid

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

Finding 2021-002: The FY19 and FY20 Final Non-Public State Aide report included encumbrance amounts which was subsequently cancelled resulting in an additional \$117 and \$207, respectively being owed to the State. These funds were not returned during the current year.

Recommendation: All unexpended awards be returned to the proper agencies in a timely manner.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term ‘competitive contracting’, which is defined as “the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received.” Also, subsection (aa) defines the term ‘concession’ to exclude vending machines.

School Purchasing Programs, (continued)

Contracts and Agreements Requiring Advertisement for Bids, (continued)

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a “Qualified Purchasing Agent” (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. “In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted.”

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) 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 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.

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

Resolutions were adopted authorizing the awarding of contract 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 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 alternative procedures to provide meals to Free and Reduced Price eligible students during the period of school closures.

School Food Service, (continued)

During SY 2020-2021, the public health emergency was still applicable. As a result, School Food Service Activities (SFAs) 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 over 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 financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

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

We also 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; modifications 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 amounts to the SFA.

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 times the number of operating days, on a school by school basis. The free and reduced price meal was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications was completed and available for review.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A.* 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$10,000. The operating results provision has not been met. All vendor discounts, rebates and credits from the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

School Food Service, (continued)

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. No exceptions were noted.

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. Net cash resources did not exceed three months average expenditures.

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

The FSMC did not apply for an receive a loan in accordance with the Payroll Protection Plan and did not use the funds to pay for costs applicable to the Food Service Programs. The PPP loan was not subsequently forgiven and the FSMC did not refund or credit the applicable amounts to the SFA.

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

U.S.D.A. Food Distribution Program commodities were received and a separate 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 U.S.D.A. mandated Non-Program Food Revenue Tool at least annually.

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

Student Body Activities

During our review of the Student Activity Funds, the following item was noted:

Finding 2021-003: There are bank service fees and check charges being charged to student activity accounts for the following schools: Dater School, Hubbard School.

Recommendation: All bank service fees and check charges should be charged to and/or reimbursed by the General Fund.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2020 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bi-lingual and low-income. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Application for State School Aid, (continued)

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 2020-2021 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures 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.

Testing for Lead of All Drinking Water in Educational 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 did submit 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. Corrective action had been taken on all prior year findings, with the exception of the comments preceded with an “*”.

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.

Respectfully submitted,

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Public School Accountant

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

SCHEDULE OF AUDITED ENROLLMENTS

BOROUGH OF RAMSEY SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

Year Ended June 30, 2021

Enrollment Category	2020-2021 Application for State School Aid						Sample for Verification				Private Schools for Disabled									
	Reported on ASA		Reported on Workpapers		Errors		Sample Selected from Workpapers		Verified per Registers		Errors per Registers		Reported on ASA as Private Schools		Sample for Verification		Sample Errors			
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared		
Half Day Preschool	21		21				21		21											
Full Day Preschool	157		157				157		157											
Half Day Kindergarten	129		129				129		129											
One	146		146				146		146											
Two	160		160				160		160											
Three	169		169				169		169											
Four	147		147				147		147											
Five	193		193				193		193											
Six	177		177				177		177											
Seven	198		198				198		198											
Eight	173	1	173	1			173	1	173	1										
Nine	184		184				184		184											
Ten	212		212				212		212											
Eleven	186		186				186		186											
Twelve																				
Subtotal	2,252	1	2,252	1			2,252	1	2,252	1										
Special Ed. Elementary	144		144				69		69						10		9		9	
Special Ed. Middle	93		93				45		45						5		4		4	
Special Ed. High School	89		89				42		42						14		12		12	
Subtotal	326		326				156		156						29		25		25	
Totals	2,578	1	2,578	1			2,408	1	2,408	1					29		25		25	
Percentage Error																				

SCHEDULE OF AUDITED ENROLLMENTS

**BOROUGH OF RAMSEY
BOARD OF EDUCATION**

**Application for State School Aid Summary
Enrollment as of October 15, 2020**

Year ended June 30, 2021

Enrollment category	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 LEP low Income	Sample Selected from Workpapers	Verified to Test score and Register
Half Day Preschool								
Full Day Preschool								
Half Day Kindergarten								
Full Day Kindergarten		11	7	7	7	7	6	6
One	7	7	4	4	5	5	4	4
Two	5	5	3	3	3	3	3	3
Three	12	12	8	8	9	9	8	8
Four	19	19	11	11	4	4	3	3
Five	7	7	4	4	1	1	1	1
Six	8	8	5	5	1	1	1	1
Seven	11	11	7	7	3	3	2	2
Eight	8	8	5	5				
Nine	11	11	7	7				
Ten	12	12	7	7	2	2	2	2
Eleven	9	9	6	6	2	2	2	2
Twelve	7	7	4	4	2	2	2	2
Special Ed. Elementary	25	25	16	16	3	3	2	2
Special Ed. Middle School	14	14	9	9	1	1	1	1
Special Ed. High School	11	11	7	7	1	1	1	1
Percentage	177	177	110	110	44	44	38	38

Category	Transportation		Re- calc.
	Reported on DRTS by DOE/county	Reported on DRTS by District	
Regular - Public Schools, col. 1	187.0	187.0	3.8
Transported- Non-Public	34.0	34.0	3.8
Regular - Special Education, col. 4	79.0	79.0	11.4
Special needs, col. 6	38.0	38.0	
Totals	338.0	338.0	

Percentage

**BOROUGH OF RAMSEY
BOARD OF EDUCATION**

SCHEDULE OF AUDITED ENROLLMENTS

Application for State School Aid Summary
Enrollment as of October 15, 2020

Year ended June 30, 2021

Enrollment category	Resident LEP Not Low Income			Sample for Verification		
	Reported on A.S.A as LEP Not low Income	Reported on Workpapers LEP Not low Income	Errors	Sample Selected from Workpapers	Verified to Test score and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten		5		4	4	4
One	4	4		3	3	3
Two	2	2		1	1	1
Three						
Four	1	1		1	1	1
Five	1	1		1	1	1
Six	1	1		1	1	1
Seven						
Eight						
Nine	2	2		2	2	2
Ten	1	1		1	1	1
Eleven	1	1		1	1	1
Twelve	2	2		2	2	2
Special Ed. Elementary	2	2		2	2	2
Special Ed. Middle School						
Special Ed. High School						
	<u>22</u>	<u>22</u>		<u>19</u>	<u>19</u>	<u>19</u>
	<u>22</u>	<u>22</u>		<u>19</u>	<u>19</u>	<u>19</u>

Percentage

**RAMSEY BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION**

REGULAR DISTRICT

SECTION 1

A. 4% Calculation of Excess Surplus

2020-21 Total General Fund Expenditures per the CAFR, Ex. C-1	\$	<u>69,954,242</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	<u> </u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	<u> </u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$	<u> </u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$	<u> </u>	(B1d)
Decreased by:			
On-Behalf TPAF Pension & Social Security	\$	<u>11,306,731</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u> </u>	(B2b)
Adjusted 20-21 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$	<u>58,647,511</u>	(B3)
4% of Adjusted 2020-21 General Fund Expenditures [(B3) times .04]	\$	<u>2,345,900</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>2,345,900</u>	(B5)
Increased by: Allowable Adjustment *	\$	<u>194,091</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$	<u><u>2,539,991</u></u>	(M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-21 (Per CAFR Budgetary Comparison Schedule C-1))	\$	<u>29,193,136</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>3,474,920</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	<u> </u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>2,432,499</u>	(C3)
Other Restricted Fund Balances****	\$	<u>18,345,579</u>	(C4)
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	\$	<u> </u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$	<u><u>4,940,138</u></u>	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$	<u><u>2,400,147</u></u>	(E)
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Recapitulation of Excess Surplus as of June 30, 2021

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>2,432,499</u>	(C3)
Reserved Excess Surplus ***[(E)]	\$	<u>2,400,147</u>	(E)
Total [(C3) + (E)]	\$	<u><u>4,832,646</u></u>	(D)

* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

- (H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2016 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
- (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
- (J1) Extraordinary Aid;
- (J2) Additional Nonpublic School Transportation Aid;
- (J3) Recognized current year School Bus Advertising Revenue; and
- (J4) Family Crisis Transportation Aid

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ 181,472	(J1)
Additional Nonpublic School Transportation Aid	\$ 12,619	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ 194,091	 (K)

** This amount represents the June 30, 2021 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2021 CAFR and must agree to Audit Summary Worksheet Line 90030.

**** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

Detail of Other Reserved Fund Balance

Statutory restrictions:		
Approved unspent separate proposal	\$ _____	
Sale/Lease-back reserve	\$ _____	
Capital Reserve	\$ 18,030,590	
Maintenance Reserve	\$ _____	
Emergency Reserve	\$ _____	
Tuition Reserve	\$ _____	
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ _____	
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ _____	
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ _____	
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ _____	
Other state/government mandated reserve	\$ _____	
Reserve for Unemployment Fund	\$ 314,989	
[Other Restricted Fund Balance not noted above]****	\$ _____	
 Total Other Restricted Fund Balance	 \$ 18,345,579	 (C4)

**RAMSEY BOARD OF EDUCATION
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Recommendations:

1. Administrative Practices and Reporting

None

2. Financial Planning, Accounting and Reporting

The board of education business office should establish internal controls to ensure that board of education approved employee merit bonus payments are made only after having obtained: 1) board approval, and 2) receipt of confirmation of the satisfaction of that criterion from the Executive County Superintendent pursuant to having submitted a board of education resolution to the Executive County Superintendent certifying that a quantitative merit criterion has been satisfied.

All unexpended awards be returned to the proper agencies in a timely manner.

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

All bank service fees and check charges should be charge to and/or reimbursed by the General Fund.

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was take on all prior year findings.