

**RAMAPO INDIAN HILLS
REGIONAL HIGH SCHOOL DISTRICT
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2023**

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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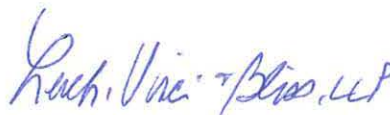
INDEPENDENT AUDITOR'S MANAGEMENT REPORT

Honorable President and Members
of the Board of Trustees
Ramapo Indian Hills Regional High School District
Oakland, New Jersey

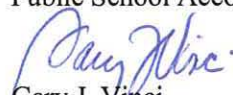
We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Ramapo Indian Hills Regional High School District as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated November 1, 2023.

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 & BLISS, LLP
Certified Public Accountants
Public School Accountants



Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
November 1, 2023

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, 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 (Exhibit J-20) of the District's Annual Comprehensive Financial Report (the "ACFR").

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Thomas Lambe	Board Secretary/School Business Administrator	\$25,000
	effective 3/1/2023	\$350,000
Joseph Amatuzzi	Treasurer of School Monies *	\$317,500
	(July 1, 2022 to January 5, 2023) effective 10/14/2022	\$350,000

*position eliminated by the District on January 5, 2023.

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with multiple coverage of \$1,000,000.

P.L. 2020, c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by school district. The school district data certification was completed by the Chief School Administrator. The school district submitted the Chapter 44 data in a timely manner.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The District was not required to make an adjustment to the billings to sending districts for the adjustment 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 indicated that the required signatures and certifications were obtained on the respective purchase orders and/or vouchers.

Payroll Account

The net salaries of all employees of the District 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 and the Board Secretary/School Business Administrator and approved by the Chief School Administrator.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

Salary withholdings were promptly remitted to the proper agencies including health benefit withholdings due to the General Fund.

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

Year-End 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 reserve 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 classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, no additional testing was deemed necessary to test the propriety of expenditure classifications.

Travel Policy

The District has an approved Board travel policy as required by NJAC 6A:23A-6.13 and NJSA 18A:11-12. No exceptions were noted pertaining to travel expense reimbursement payments tested.

Board Secretary's Records

The financial records, books of account and minutes were maintained by the School Business Administrator.

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

The prescribed contractual order system was followed.

The District eliminated the Treasurer of School Monies position effective January 5, 2023. A monthly cash report was prepared and presented to the Board on a monthly basis. The June 30, 2023 cash report was in agreement with the Board Secretary Report.

Finding 2023-001 – Our audit noted that the District's Capital Projects fund budgetary accounting reports did not include the portion of the Energy Savings Improvement Program ("ESIP") being funded by sources other than the capital financing agreement/lease purchase. Approximately \$931 thousand of the ESIP project is being funded by future energy rebates from PSE&G. In addition, the District did not notify the Office of the State Comptroller of the contract award.

Recommendation – The District's budgetary accounting records be updated to include the total project cost of the Energy Savings Improvement Program. In addition, the District notify the Office of the State Comptroller of contract awards over \$2.5 million.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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. financial exhibits are contained within the Special Revenue section of the ACFR. This section of the ACFR documents the financial position pertaining to projects under Title I, Title IIa and Title IV of the Elementary and Secondary Education Act as amended and reauthorized.

Our examination 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 Exhibit K-3 and Exhibit K-4 located in the ACFR.

Our examination 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.

There was no TPAF employees' contractual salaries paid from federal funds during the current fiscal year. Therefore, there were no reimbursement amounts due to the State at June 30, 2023.

Nonpublic State Aid

Project completion reports were finalized and transmitted to the State by the required due date.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-4 states, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of school funds, not included within the terms of N.J.S.A. 18A:18A-3, shall be made and awarded only by the board of education after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to N.J.S.A. 18A:18A-3 except by contract or agreement".

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 \$20,200. The Board has designated the School Business Administrator/Board Secretary as the Qualified Purchasing Agent.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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

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

The results of our examination indicated that no individual payments, contracts, or agreements were 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 in accordance with the provisions 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.

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

The District does not participate in the State Child Nutrition Program.

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

Expenditures were separately recorded as food, labor and other costs. 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 appropriate revenue and expenditure records were maintained. in order to substantiate the non-profit status of the school food service.

The District contracted with Aramark, Inc. ("FSMC") to manage the operations of the school food services and deposited funds in accordance with applicable state statutes. Provisions of the food service management contract/addendum were reviewed. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$130,735.

Student Activity, Athletic Association and Scholarship Accounts

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

Cash receipts and disbursements records were maintained for student activity and athletic accounts.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, related services, bilingual students 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 with immaterial exceptions noted. 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.

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 2022-2023 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures 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 transfers of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
SCHEDULE OF NET CASH RESOURCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOT APPLICABLE

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022
SCHEDULE OF AUDITED ENROLLMENTS**

	2022-23 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Nine	388		388		-	-	123		123		-	-				
Ten	385	3	385	3	-	-	249		249		-	-				
Eleven	389		389		-	-	156		156		-	-				
Twelve	455		455		-	-	288		288		-	-				
Subtotal	<u>1,617</u>	<u>3</u>	<u>1,617</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>816</u>	<u>-</u>	<u>816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - High School	353		353		-	-	60		60		-	-	30	6	6	-
Subtotal	<u>353</u>	<u>-</u>	<u>353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>6</u>	<u>6</u>	<u>-</u>
Totals	<u>1,970</u>	<u>3</u>	<u>1,970</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>816</u>	<u>-</u>	<u>816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>6</u>	<u>6</u>	<u>-</u>
Percentage Error					<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022
SCHEDULE OF AUDITED ENROLLMENTS**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as LEP low Income</u>	<u>Reported on Workpapers as LEP low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Nine	8.0	8.0	-	2.0	2.0	-	5.0	5.0	-	1.0	1.0	-
Ten	8.0	8.0	-	2.0	2.0	-	2.0	2.0	-	1.0	1.0	-
Eleven	8.0	8.0	-	2.0	2.0	-	1.0	1.0	-	1.0	1.0	-
Twelve	4.0	4.0	-	1.0	1.0	-	-	-	-	-	-	-
Subtotal	<u>28.0</u>	<u>28.0</u>	-	<u>7.0</u>	<u>7.0</u>	-	<u>8.0</u>	<u>8.0</u>	-	<u>3.0</u>	<u>3.0</u>	-
Special Ed - High	14.0	13.0	1.0	3.0	3.0	-	3.0	3.0	-	1.0	1.0	-
Subtotal	<u>14.0</u>	<u>13.0</u>	<u>1.0</u>	<u>3.0</u>	<u>3.0</u>	-	<u>3.0</u>	<u>3.0</u>	-	<u>1.0</u>	<u>1.0</u>	-
Totals	<u>42.0</u>	<u>41.0</u>	<u>1.0</u>	<u>10.0</u>	<u>10.0</u>	-	<u>11.0</u>	<u>11.0</u>	-	<u>4.0</u>	<u>4.0</u>	-
Percentage Error			<u>2.38%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	<u>Transportation</u>					
	<u>Reported on DRTRS by DOE/county</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Reg. - Public Schools, col. 1	942.0	942.0	-	47.0	47.0	-
Transported - Non-Public, col. 2	148.0	148.0	-	8.0	8.0	-
Reg -SpEd, col. 4	127.5	127.5	-	6.0	6.0	-
Special Ed Spec, col. 6	36.5	36.5	-	2.0	2.0	-
Totals	<u>1,254.0</u>	<u>1,254.0</u>	-	<u>63.0</u>	<u>63.0</u>	-
Percentage Error					<u>0.00%</u>	

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022
SCHEDULE OF AUDITED ENROLLMENTS**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Nine	1.0	1.0	-	1.0	1.0	-
Ten	3.0	3.0	-	2.0	2.0	-
Eleven	-	-	-	-	-	-
Twelve	1.0	1.0	-	1.0	1.0	-
Subtotal	<u>5.0</u>	<u>5.0</u>	<u>-</u>	<u>4.0</u>	<u>4.0</u>	<u>-</u>
Special Ed - High	3.0	3.0	-	3.0	3.0	-
Subtotal	<u>3.0</u>	<u>3.0</u>	<u>-</u>	<u>3.0</u>	<u>3.0</u>	<u>-</u>
Totals	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>	<u>7.0</u>	<u>7.0</u>	<u>0.0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**RAMAPO INDIAN HILLS REGIONAL HIGH SCHOOL DISTRICT
CALCULATION OF EXCESS SURPLUS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

2022-2023 Total General Fund Expenditures per the ACFR	\$ 68,245,186
Increased by:	
Capital Reserve to Capital Projects Fund	6,549,125
Transfer to Special Revenue Fund	191,154
	74,985,465
Decreased by:	
On-Behalf TPAF Pension & Social Security	11,284,345
Adjusted 2022-2023 General Fund Expenditures	\$ 63,701,120
2% of Adjusted 2022-2023 General Fund Expenditures	\$ 1,274,022
Increased by Allowable Adjustments -	
Extraordinary Aid	743,602
Additional Nonpublic School Transportation Aid	73,628
Maximum Unassigned Fund Balance	\$ 2,091,252
Total General Fund - Fund Balance at June 30, 2023	\$ 31,312,252
Decreased by:	
Encumbrances	285,858
Designated for Subsequent Year's Budget	1,127,950
Other Restricted Fund Balances	
Emergency Reserve	598,198
Capital Reserve	20,055,174
Maintenance Reserve	2,000,000
Financing Agreement	2,516,806
Unemployment Compensation	964,964
Total Unassigned Fund Balance	\$ 3,763,302
Fund Balance - Excess Surplus	\$ 1,672,050
<u>Recapitulation of Excess Surplus as of June 30, 2023</u>	
Excess Surplus - Designated for Subsequent Year's Budget	\$ 272,050
Excess Surplus	1,400,000
	\$ 1,672,050

RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

1. It is recommended that the District's budgetary accounting records be updated to include the total project cost of the Energy Savings Improvement Program. In addition, the District notify the Office of the State Comptroller of contract awards over \$2.5 million.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Student Body Activities/Athletic Account

There are none.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Miscellaneous

There are none.

IX. Facilities and Capital Assets

There are none.

X. Status of Prior Years' Audit Findings/Recommendations

There were none.

ACKNOWLEDGEMENT

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