

**PASSAIC PUBLIC SCHOOLS  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2020**

**PASSAIC PUBLIC SCHOOLS  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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# LERCH, VINCI & HIGGINS, LLP

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Honorable President and Members  
of the Board of Education  
Passaic Public Schools  
Passaic, 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 financial statements of the Passaic Public Schools as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated January 29, 2021.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information of the Board of Education's management, the Board of Trustees and others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
January 29, 2021

**PASSAIC PUBLIC SCHOOLS  
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator 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 the Insurance Schedule contained in the District's Comprehensive Annual Financial Report (the "CAFR").

**Officials Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Erlinda Arellano, CPA	Board Secretary/School Business Administrator/Purchasing Agent	\$ 88,000
Kevin Lomski, CPA	Comptroller (July 1, 2019 to December 31, 2019)	150,000
Ryan Aaron Bowman	Comptroller ( January 1, 2020 to June 30, 2020)	150,000
Paul Gabarini	Treasurer of School Monies	1,050,000

There is Public Employee Dishonesty with Faithful Performance coverage with the New Jersey School Boards Association Insurance Group covering all other employees with multiple coverage of \$500,000.

**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, certification 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 payroll taxes were deposited into the payroll agency account.

All payrolls tested were certified by the President of the Board, the Board Secretary/School Business Administrator, and the Chief School Administrator/Superintendent.

**PASSAIC PUBLIC SCHOOLS  
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Financial Planning, Accounting and Reporting (Continued)**

Payroll Account (Continued)

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

The District filed the required Certification (ECERTI) of Compliance with Federal and State Law respecting the reporting of compensation for certain employees.

The District has implemented and maintains a personnel tracking and accounting (position control) system.

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. 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:23-2.2(g) 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-2.4.

Board Secretary's Records

The financial records, books of account and minutes were maintained by the Board Secretary.

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

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21) and agendas made available for audit.

Treasurer's Records

The Treasurer performed cash reconciliations for the general operating account, payroll account and the payroll agency account on a monthly basis.

The Treasurer's reports were in agreement with the Board Secretary's records.

**PASSAIC PUBLIC SCHOOLS  
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Financial Planning, Accounting and Reporting (Continued)**

**Elementary and Secondary Education Act of (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 projects under Titles I and III of the Elementary and Secondary Education Act, as amended and reauthorized.

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 in the CAFR represent a true statement of the financial position pertaining to the aforementioned special projects.

**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 CAFR.

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

The District filed its nonpublic state aid project completion reports by the due date.

The School District's accounting records for Preschool Education Aid were maintained in accordance with N.J.A.C. 6:23-5.5(c) which states that the District must maintain separate program school accounts in the Special Revenue Fund section of the District's budget.

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.

**Teacher's Pension and Annuity Fund (TPAF)**

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund ("TPAF").

The reimbursement to the State for 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 subsequent to the end of the 60 day grant liquidation period, but prior to the 90 days required by N.J.S.A 18A:66-90. Accordingly, the expenditure was made in accordance with state law (90 days) and properly reported in the current year's Final Reports for all federal awards.

**Finding** – The TPAF Reimbursement for Federally Funded Programs (Fund 20 portion) was charged to federal grants that had no salaries charged to it. An excess charge of \$69,547 was noted.

**Recommendation** – The TPAF Reimbursement for Federally Funded Programs be charged to only federal grants that have incurred salaries and wages.

**PASSAIC PUBLIC SCHOOLS  
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,000. The Board has appointed the School Business Administrator as the Qualified Purchasing Agent.

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 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.

**Food Service Fund**

**COVID – 19 Emergency**

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

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.

Cash receipts and bank records were reviewed for timely deposit.

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 appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

U.S.D.A. Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis.

Net cash resources did not exceed three months average expenses.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education.

**PASSAIC PUBLIC SCHOOLS  
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Food Service Fund (Continued)**

The number of meals claimed for reimbursement was verified against 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.

The District operates the Child Nutrition Program under the Community Eligibility Provision (CEP). To be eligible for the CEP, schools must have a minimum of forty percent of identified students directly certified for free meals in the prior school year; agree to serve free lunches and breakfasts to all students; and agree to cover with non-federal funds any costs of providing free meals to all students that exceed the Federal reimbursement. There are no household applications collected and reimbursement is based on meals claimed. The District is required to collect Household Surveys. Our audit procedures included a test to verify that the number of meals claimed agreed with supporting documentation.

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

Exhibits reflecting Child Nutrition Program operations are included in the section, of the District's CAFR entitled Enterprise Funds (Exhibits B-4, B-5 and B-6). Program and non-program revenue and cost of goods sold are shown separately on CAFR Exhibit B-5. In addition, CAFR Exhibit G-2 details the operations of the Food Service Enterprise Fund by program type.

**Student Body Activities**

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

Cash receipts and disbursements records for certain schools were maintained in good condition.

**Scholarship**

Cash receipts and disbursement records for the District's scholarship fund were maintained in good condition.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2019 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, limited English proficient 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 with immaterial exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintains workpapers in the prescribed state forms or their equivalents.

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 2019-20 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with an immaterial exception. The information that was included on the workpapers was verified with immaterial exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

**PASSAIC PUBLIC SCHOOLS  
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Pupil Transportation (Continued)**

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**

The District is designated as a School Based Budget District and as a result all major construction related expenditures are funded by the State of New Jersey. This grant activity is reported in the District's financial statements as on behalf State Aid revenue and expenditures in the District's Capital Projects Fund.

**Finding** – The District's capital asset ledger did not include certain equipment, facilities improvements and construction in progress expenditures. In addition, there were amounts included in the capital asset report for assets which had not been received and/or the work completed as of June 30.

**Recommendation** – The District periodically review its capital asset ledger to ensure that all items meeting the definition of a capital asset are properly recorded.

**Miscellaneous**

**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).

**Follow-Up on Prior Year Findings**

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations. Corrective action was taken on all prior year findings.

**Suggestions to Management**

- Old outstanding checks on the General Account bank reconciliation be reviewed and cancelled of record.

**PASSAIC PUBLIC SCHOOLS  
SCHEDULE OF MEAL COUNT ACTIVITY  
FOOD SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>
<b><u>Federal</u></b>					
National School Lunch (High Rate)	Free	1,263,814	583,498	583,498	-
SSO		15,335	-	-	
National School Breakfast (Severe Rate)	Free	978,023	456,741	456,741	-
(Regular Rate)	Free	11,380	-	-	
SSO		15,335	-	-	
After School Snack	Free	229,370	117,458	117,458	-
<b><u>State</u></b>					
School Lunch	Free	1,263,814	583,498	583,498	-

**PASSAIC PUBLIC SCHOOLS  
FOOD SERVICE ENTERPRISE FUND  
CALCULATION OF NET CASH RESOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Current Assets**

Cash and Cash Equivalents	\$	1,910,064
Due from Other Governments		2,274,711
Accounts Receivable		19,558

**Current Liabilities**

Less:		
Accounts Payable		(741,120)
Accrued Salaries and Wages		(343,700)
Due to Other Funds		(483,705)

<b>Net Cash Resources</b>	<b>\$</b>	<b><u>2,635,808</u></b>
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**Adjusted Total Operating Expenses:**

Total Operating Expenses	\$	11,909,323
Less Depreciation		<u>(73,637)</u>
Adjusted Total Operating Expenses	\$	<u>11,835,686</u>

<b><u>Average Monthly Operating Expenses:</u></b>	<b>\$</b>	<b><u>1,183,569</u></b>
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<b><u>Three Times Monthly Average:</u></b>	<b>\$</b>	<b><u>3,550,706</u></b>
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Total Net Cash Resources	\$	2,635,808
Three Times Monthly Average		<u>3,550,706</u>

Amount Below Allowable Net Cash Resources	\$	<u>(914,898)</u>
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**PASSAIC PUBLIC SCHOOLS  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2019  
SCHEDULE OF AUDITED ENROLLMENTS**

	2019-2020 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 for Verifi- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Full Day Preschool 3 Years Old	581		581					110		110							
Full Day Preschool 4 Years Old	622		622					235		235							
Full Day Kindergarten	816		816					129		129							
Grade 1	827		827					86		86							
Grade 2	791		791					103		103							
Grade 3	858		858					100		100							
Grade 4	830		830					66		66							
Grade 5	933		933					100		100							
Grade 6	941		941					58		58							
Grade 7	927		927					86		86							
Grade 8	916		916					70		70							
Grade 9	753		753					154		154							
Grade 10	771		771					516		516							
Grade 11	678		678					106		106							
Grade 12	640		640					480		480							
Subtotal	11,884	-	11,884	-	-	-		2,399	-	2,399	-	-	-		-	-	-
Sp Ed - Elementary	665		665					42		42				21	6	6	
Sp Ed - Middle School	525		525					24		24				30	9	9	
Sp Ed - High School	495		495					12		12				120	37	37	
Subtotal	1,685	-	1,685	-	-	-		78	-	78	-	-		171	52	52	-
Totals	13,569	-	13,569	-	-	-		2,477	-	2,477	-	-		171	52	52	-
Percentage Error																	

**PASSAIC PUBLIC SCHOOLS  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2019  
SCHEDULE OF AUDITED ENROLLMENTS**

	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	Sample Errors	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Full Day Kindergarten	846	846		5	5	-	362	362		8	8	-
Grade 1	818	818		5	4	1	368	368		8	7	1
Grade 2	820	820		5	5	-	350	350		8	8	-
Grade 3	887	887		5	5	-	400	400		9	9	-
Grade 4	839	839		5	5	-	330	330		8	8	-
Grade 5	924	924		6	5	1	218	218		5	4	1
Grade 6	893	893		6	6	-	162	162		4	4	-
Grade 7	881	881		5	5	-	101	101		2	2	-
Grade 8	847	847		5	5	-	92	92		2	2	-
Grade 9	711	711		4	4	-	89	89		2	2	-
Grade 10	717	718	(1)	4	4	-	105	105		2	2	-
Grade 11	610	610	-	4	4	-	90	90		2	2	-
Grade 12	568	567	1	4	4	-	67	67		2	2	-
<b>Subtotal</b>	<b>10,361</b>	<b>10,361</b>	<b>-</b>	<b>63</b>	<b>61</b>	<b>2</b>	<b>2,734</b>	<b>2,734</b>	<b>-</b>	<b>62</b>	<b>60</b>	<b>2</b>
Sp Ed - Elementary	646	646		4	4	-	268	268		6	6	-
Sp Ed - Middle School	507	507		3	3	-	70	70		2	2	-
Sp Ed - High School	489	489		3	3	-	20	20		1	1	-
<b>Subtotal</b>	<b>1,642</b>	<b>1,642</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>358</b>	<b>358</b>	<b>-</b>	<b>9</b>	<b>9</b>	<b>-</b>
<b>Totals</b>	<b>12,003</b>	<b>12,003</b>	<b>-</b>	<b>73</b>	<b>71</b>	<b>2</b>	<b>3,092</b>	<b>3,092</b>	<b>-</b>	<b>71</b>	<b>69</b>	<b>2</b>
Percentage Error			<u>-</u>			<u>2.74%</u>			<u>-</u>			<u>2.82%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	644	644	-	32	32	-
Regular - Special Ed	261	261	-	13	12	1
Special Needs	468	468	-	24	24	-
<b>Subtotal</b>	<b>1,373</b>	<b>1,373</b>	<b>-</b>	<b>69</b>	<b>68</b>	<b>1</b>
Percentage Error			<u>0.00%</u>			<u>1.45%</u>

**PASSAIC PUBLIC SCHOOLS  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2019  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application	Errors
Full Day Kindergarten	22	22		4	4	
Grade 1	35	35		7	7	
Grade 2	32	32		6	6	
Grade 3	18	18		3	3	
Grade 4	16	16		3	3	
Grade 5	16	16		3	3	
Grade 6	13	13		2	2	
Grade 7	16	16		3	3	
Grade 8	19	19		4	4	
Grade 9	17	17		3	3	
Grade 10	28	28		5	5	
Grade 11	37	37		7	7	
Grade 12	34	34		6	6	
<b>Subtotal</b>	<b>303</b>	<b>303</b>	<b>-</b>	<b>56</b>	<b>56</b>	<b>-</b>
Sp Ed - Elementary	10	10		2	2	
Sp Ed - Middle School	8	8		2	2	
Sp Ed - High School	-	-		-	-	
<b>Subtotal</b>	<b>18</b>	<b>18</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>-</b>
<b>Totals</b>	<b>321</b>	<b>321</b>	<b>-</b>	<b>60</b>	<b>60</b>	<b>-</b>
Percentage Error			-			-

**PASSAIC PUBLIC SCHOOLS  
EXCESS SURPLUS CALCULATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2019-20 Total General Fund Budgetary Expenditures	\$ 310,992,920
Transfer to Special Revenue Fund - Preschool Education	3,057,699
Transfer to Capital Projects from Capital Reserve	5,421,000
Expenditures allocated to restricted federal sources as reported on Exhibit D-2	<u>(8,465,024)</u>
2019-2020 Adjusted General Fund Budgetary Expenditures	\$ 311,006,595
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>(38,637,179)</u>
Adjusted 2019-20 General Fund Budgetary Expenditures	<u>\$ 272,369,416</u>
2% of Adjusted 2019-20 General Fund Budgetary Expenditures	\$ 5,447,388
Allowable Adjustments	
Family Crisis Transportation Aid	\$ 46,789
Extraordinary Aid	<u>4,267,944</u>
Maximum Unreserved/Undesignated Fund Balance	\$ 9,762,121
Total General Fund - Fund Balances at June 30, 2020 (Budgetary Basis)	\$ 61,436,245
Decreased by:	
Encumbrances	1,432,796
Other Restricted Fund Balances	
Capital Reserve	8,325,975
Maintenance Reserve	20,628,814
Emergency Reserve	1,000,000
Assigned - Designated for Subsequent Year's Budget	<u>20,286,540</u>
Total Unassigned Fund Balance	<u>9,762,120</u>
Amount Below Maximum Unreserved/Undesignated Fund Balance	<u>\$ 1</u>
Excess Surplus	<u>\$ -</u>

**PASSAIC PUBLIC SCHOOLS  
SCHEDULE OF ENCUMBRANCES  
BOARD SECRETARY REPORT (FUNDS 10 AND 15)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Description	Total by Category	Amount Encumbered	Encumbrances Cancelled Through Audit Adjustments
Purchased Services	\$ 101,948	\$ 101,948	
Cleaning, Repairs and Maintenance	651,962	651,962	
Unaudited	<u>678,886</u>	<u>678,886</u>	-
	<u>\$ 1,432,796</u>	<u>\$ 1,432,796</u>	<u>-</u>
Fund Balance, Encumbrances, June 30, 2020			
Committed			\$ 1,125,976
Assigned			<u>306,820</u>
			<u>\$ 1,432,796</u>

PASSAIC PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

RECOMMENDATIONS

I. **Administration Practices and Procedures**

There are none.

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

The TPAF reimbursement for Federally Funded Programs be charged to only federal grants that have incurred salaries and wages.

III. **School Purchasing System**

There are none.

IV. **Food Services Fund**

There are none.

V. **Student Body Activities**

There are none.

VI. **Scholarship**

There are none.

VI. **Application for State School Aid**

There are none.

VII. **Transportation**

There are none.

VIII. **Miscellaneous**

There are none.

IX. **Facilities and Capital Assets**

It is recommended that the District periodically review its capital asset ledger to ensure that all items meeting the definition of a capital asset are properly recorded.

X. **Status of Prior Years' Audit Findings/Recommendations**

Not applicable, 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.