

FAIR LAWN PUBLIC SCHOOLS
COUNTY OF BERGEN
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021

FAIR LAWN PUBLIC SCHOOLS
COUNTY OF BERGEN
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
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BKR International

November 23, 2021

The Honorable President and Members
of the Board of Education
Fair Lawn Public Schools
County of Bergen, NJ

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 Board of Education of the Fair Lawn Public Schools in the County of Bergen for the fiscal year ended June 30, 2021, and have issued our report thereon dated November 23, 2021.

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.

We will review the status of the comments during our next audit engagement. We have already discussed these comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the suggestions and recommendations.

This report is intended for the information of the Fair Lawn Public Schools' management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

FAIR LAWN PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Brooke Bartley	School Business Administrator/Board Secretary	\$ 80,000
Karen Palermo	Treasurer of School Monies	500,000

The District has Employee Dishonesty and Faithful Performance coverage through the Utich National Insurance Company as detailed on Exhibit J-20 of the CAFR.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review indicated overall compliance with respect to signatures, certification and supporting documentation.

Payroll Account and Position Control Roster

The net salaries of 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. Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

All payrolls were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrators and the Chief School Administrator. Payrolls were delivered to the Treasurer of School Monies with a warrant to her order for the full amount of the payroll.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

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(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures – General and Administrative

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-8.2 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 included administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-16.2(f). Overall compliance was noted.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

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 herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Titles I, II, III, III Immigrant, and IV of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for the E.S.E.A. did not indicate any area of noncompliance.

Other Special Federal and/or State Projects

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 District's Special Projects were approved as listed on Schedule A and Schedule B 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 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.

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ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements 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 T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2021. The reimbursement form was reviewed and no exceptions were noted.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations include requirements for the District to establish a maximum travel amount for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel must be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred. Overall compliance was noted.

Special Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

- a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made"

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law"

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(Continued)

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

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 \$19,600 for 2020-2021.

As per N.J.S.A. 18A:18A-3, the Board passed a resolution, authorizing the Business Administrator as a qualified purchasing agent and increasing the bid threshold to \$44,000.

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 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. None were noted.

Based upon the results of our examination, we did not note any individual payments, contracts, or agreements 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 provision of N.J.S.A. 18A:18A-4, 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.

School Food Service

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. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

The District utilizes a food service management company (FMSC) 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 FMSC Cost Reimbursable Fixed Price contract/addendum were reviewed and audited. No exceptions were noted. 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. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. 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.

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(Continued)

School Food Service (Cont'd)

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 nonprofit status of the School Food Service Fund. No exceptions were noted.

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 or receive a loan in accordance with the Payroll Protection Plan.

Net cash resources did not exceed three months average expenditures.

There were no food service employees authorized by the Board of Education.

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

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal policy was reviewed for uniform administration throughout the school district. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

U.S.D.A. Food Distribution Program commodities (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Non-program foods were not purchased, prepared or offered for sale.

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

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Student Activities records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records.

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 disabled, low income and bilingual education students. We also

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ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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(Continued)

Application for State School Aid (Cont'd)

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 minor exceptions. The information that was included on the workpapers was verified on a test basis 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's written procedures for the recording of student enrollment data appear to be adequate.

Pupil Transportation

Our audit procedures included a test of on-roll status reported on 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 with exceptions as detailed below. 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.

Finding 2021-001:

During the course of our testing, it was noted that there were students being incorrectly reported on the DRTRS as "Special Needs - Private" students who should have been reported as "Special Needs – Public" students.

Recommendation:

It is recommended that the District make every effort to ensure all students are properly reported on the DRTRS.

Management's Response:

The District has already resolved this issue in the 2021-22 school year.

Facilities and Capital Assets

There were no active SDA grants.

Testing for Lead of All Drinking Water in Educational Facilities

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

Management Suggestions

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 87, *Leases*, is effective for the fiscal year ended June 30, 2022. Under this statement, the District will be required to recognize a lease liability and an intangible right-to-use asset for each lease agreement with a lease term in excess of 12 months. This statement will enhance the comparability of financial statements among governments by requiring the reporting of leases under a single model. Additionally, certain leases that are currently not reported will be under this statement.

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ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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(Continued)

Management Suggestions (Cont'd)

COVID-19 Federal Funding

It is likely that the District will undergo some review of its COVID-19 federal funding if only at a desk review level by state and/or federal agencies. We strongly suggest that the District ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the District ensures that these funds are accounted for in the state account numbers designated by the NJ Department of Education and that any applicable Board policies are current with respect to federal grant requirements.

Sick and Vacation Leave

It is suggested that the District consult with its attorney to ensure that its negotiated labor contracts, individual employee agreements and employee policies, as applicable, are in accordance with New Jersey statutes regarding unused sick and vacation leave.

Confirming Orders

It has come to our attention that a number of school districts in New Jersey are being cited by the State Department of Education for the purchasing of goods or services prior to the issuance of an approved purchase order. We are taking this opportunity to reiterate to our clients that a valid, approved purchase order must be prepared prior to obligating the District for the purchase of goods or services to be in compliance with the requirements of the State.

Surety Bond - Business Administrator

The duties of the Business Administrator have evolved over the last few decades into a position that is responsible for the collection, disbursement, and investment of the School's main funds. At the time of the passage of the statute delineating the duties of the Treasurer of School Monies the aforementioned duties were to be the responsibility of the Treasurer. Also, the statute that established the requirement for the amount of the Treasurer's bond did not contemplate the evolution of the Business Administrator's position. As a result the person most intimately involved in the handling of the main School funds is not required to be bonded in an amount commensurate with the related responsibilities. We suggest that the position of the Business Administrator be bonded in an amount at least equal to the required bond for the Treasurer of School Monies.

Follow-up on Prior Year Finding/Recommendation

There were no prior year recommendations.

FAIR LAWN PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2020

	2021-2022 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per	
	A.S.S.A.		Workpapers		On Roll		Workpapers		Registers		Registers	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Kindergarten	301		301				301		301			
Grade One	348		348				348		348			
Grade Two	381		381				381		381			
Grade Three	363		363				363		363			
Grade Four	351		351				351		351			
Grade Five	372		372				372		372			
Grade Six	341		341				341		341			
Grade Seven	335		335				335		335			
Grade Eight	337		337				337		337			
Grade Nine	305	2	305	2			305	2	305	2		
Grade Ten	314	1	314	1			314	1	314	1		
Grade Eleven	313	1	313	1			313	1	313	1		
Grade Twelve	325	1	325	1			325	1	325	1		
Subtotal	4,386	5	4,386	5			4,386	5	4,386	5		
Special Education:												
Elementary School	335		335				10		10			
Middle School	227		227				5		5			
High School	289	3	289	3			10	1	10	1		
Subtotal	851	3	851	3			25	1	25	1		
Totals	5,237	8	5,237	8	-0-	-0-	4,411	6	4,411	6	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

	Private Schools for Disabled			
	Reported on ASSA as Private Schools	Sample for Verification	Sample Verified	Sample Errors
Special Education:				
Elementary School	13	2	2	
Middle School	7	1	1	
High School	21	1	1	
Totals	41	4	4	-0-
Percentage Error				0.00%

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

	Resident Low Income			Sample for Verification		
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	18	18		2	2	
Grade One	29	28	1	2	2	
Grade Two	35	35		3	3	
Grade Three	39	39		2	2	
Grade Four	25	25		2	2	
Grade Five	29	29		2	2	
Grade Six	35	34	1	1	1	
Grade Seven	34	34		1	1	
Grade Eight	38	38		1	1	
Grade Nine	31	31		1	1	
Grade Ten	51	50	1	1	1	
Grade Eleven	34	33	1	1	1	
Grade Twelve	33	33		1	1	
Subtotal	431	427	4	20	20	
Special Education:						
Elementary School	60	51	9	1	1	
Middle School	34	32	2	1	1	
High School	44.5	43	2	3	3	
Subtotal	138.5	126	13	5	5	
Totals	569.5	553	17	25	25	-0-
Percentage Error			2.90%			0.00%

FAIR LAWN PUBLIC SCHOOLS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 SCHEDULE OF AUDITED ENROLLMENTS
 ENROLLMENT AS OF OCTOBER 15, 2020

	Resident LEP Low Income				Resident LEP Not Low Income				
	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Full Day Kindergarten	3	3			32	32	5	5	
Grade One	3	3			36	36	5	5	
Grade Two	9	9	1	1	35	34	1	1	
Grade Three	9	9	1	1	32	32	1	1	
Grade Four	5	5			16	16	1	1	
Grade Five	4	4			11	11	1	1	
Grade Six	1	1			7	7	1	1	
Grade Seven	2	2	1	1	3	3	1	1	
Grade Eight	4	4			2	2	1	1	
Grade Nine	2	2	1	1	8	8	1	1	
Grade Ten	2	1			5	5			
Grade Eleven	4	3	1	1					
Grade Twelve	2	2			7	7	2	2	
Subtotal	50	48	5	5	194	193	20	20	
Special Ed - Elementary	1	1	1	1	7	7	1	1	
Special Ed - Middle School					1	1			
Special Ed - High School					2	2			
Subtotal	1	1	1	1	10	10	1	1	
Totals	51	49	6	6	204	203	21	21	-0-
Percentage Error									0.00%

FAIR LAWN PUBLIC SCHOOLS
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	73	73		7	7	
Regular - Special Education	23	23	52	2	6	(4)
Transported - Non Public	20	20		2	2	
AIL Non- Public	463	463		9	9	
Special Needs - Public	116	116		3	3	
Special Needs - Private	84	84	(52)	5	1	4
Totals	<u>779</u>	<u>779</u>	<u>-0-</u>	<u>28</u>	<u>28</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	5.93	5.93
Average Mileage - Regular Excluding Grade PK Students	5.93	5.93
Average Mileage - Special Education with Special Needs	3.97	3.97

FAIR LAWN PUBLIC SCHOOLS
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2021

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>\$ 117,571,848</u> (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1a)	
Transfer from General Fund to SRF for PreK-Regular	<u>\$ -0-</u> (B1b)	
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ -0-</u> (B1c)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 18,269,302</u> (B2a)	
Assets Acquired Under Capital Leases	<u>\$ -0-</u> (B2b)	
Adjusted 20-21 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 99,302,546</u> (B3)	
4% of Adjusted 2020-21 General Fund Expenditures [(B3) times .04]	<u>\$ 3,972,102</u> (B4)	
Enter Greater of (B4) or \$250,000	<u>\$ 3,972,102</u> (B5)	
Increased by: Allowable Adjustment	<u>\$ 2,990,482</u> (K)	
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 6,962,584</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/21 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 38,458,674</u> (C)	
Decreased by:		
Year End Encumbrances	<u>\$ 5,870,680</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C3)	
Other Restricted/Reserved Fund Balances	<u>\$ 24,625,410</u> (C4)	
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 1,000,000</u> (C5)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 6,962,584</u> (U1)

FAIR LAWN PUBLIC SCHOOLS
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

SECTION 3

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ -0- (E)

Recapitulation of Excess Surplus as of June 30, 2021

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ -0- (C3)

Restricted Excess Surplus [(E)] \$ -0- (E)

Total [(C3)+(E)] \$ -0- (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

Sale and Lease Back \$ -0- (I)

Extraordinary Aid \$ 2,856,212 (J1)

Additional Nonpublic School Transportation Aid \$ 134,270 (J2)

Current Year School Bus Advertising Revenue Recognized \$ -0- (J3)

Family Crisis Transportation Aid \$ -0- (J4)

Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4)) \$ 2,990,482 (K)

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal \$ -0-

Sale/lease-back reserve \$ -0-

Capital reserve \$ 19,256,610

Maintenance reserve \$ 3,890,353

Emergency reserve \$ 602,906

Tuition reserve \$ -0-

School Bus Advertising 50% Fuel Offset Reserve - current year \$ -0-

School Bus Advertising 50% Fuel Offset Reserve - prior year \$ -0-

Impact Aid General Fund Reserve (Sections 8002 and 8003) \$ -0-

Impact Aid Capital Fund Reserve (Sections 8007 and 8008) \$ -0-

Unemployment Compensation \$ 875,541

Other state/governmental mandated reserve \$ -0-

Other Restricted Fund Balance not noted above \$ -0-

Total Other Restricted Fund Balance \$ 24,625,410 (C4)

FAIR LAWN PUBLIC SCHOOLS
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2021

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

Finding 2021-001:

The District ensure that going forward all students are properly classified when they are reported on the DRTRS.

8. Facilities and Capital Assets

None

9. Status of Prior Year's Finding/Recommendation

There were no prior year recommendations.