

**KEARNY BOARD OF EDUCATION
INDEPENDENT AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2021**

**KEARNY BOARD OF EDUCATION
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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
Kearny Board of Education
172 Midland Avenue
Kearny, New Jersey 07032

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 Kearny Board of Education as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated February 9, 2022.

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

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

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

Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 9, 2022

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

Scope of Audit

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

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Edward F. Izbicki, Sr. Ed.D	School Business Administrator/ Board Secretary (July 1 to November 30, 2020)	\$450,000
Richard Rosenberg	Interim School Business Administrator/ Board Secretary (December 1, 2020 to June 30, 2021)	*
Michael J. Lamprecht, Sr.	Treasurer of School Monies	450,000

* An individual bond was not obtained.

There is a Public Employees' Faithful Performance Blanket Position Bond with Selective Insurance 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 indicated that the required signatures, certifications and supporting documentation were obtained on the respective purchase orders and/or vouchers with isolated, immaterial instances noted.

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 in the Payroll Agency Account.

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

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium withholdings due to the General Fund.

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

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

Financial Planning Accounting and Reporting (Continued)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the 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:23-16.2(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. Our audit revealed the following:

Finding 2021-001 – Our audit noted that at June 30, 2021, the District accrued unpaid salaries and wages of \$158,700 to an incorrect budget account. The account charges were reclassified by audit adjustment, however, the reclassification resulted in several budget accounts being over-expended at year end.

Recommendation – It is recommended that year end accruals be reviewed to ensure that the amounts are recorded to the appropriate budget account.

Board Secretary's and Treasurer's Records

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

Acknowledgment of the Board's receipt of the monthly financial reports was included in the official minutes of the Board.

The Treasurer and Board Secretary's records are reconciled to each other.

Elementary and Secondary Education Act (E.S.E.A) as Amended by 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 Title I, Title II and Title III of the Elementary and Secondary Education Act as amended and re-authorized.

Our examination indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

Finding 2021-002 – Our audit of the Title I program revealed that salaries approved by the Board were not in agreement with amounts charged to the Title I program in the District's financial accounting reports.

Recommendation – The District reconcile the salaries charged to the ESEA Title I program with the amounts approved by the Board, and if required the board resolutions be amended prior to year end to ensure that the employee's time and activity reports agrees with the Board's actions.

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 indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

Nonpublic project completion reports were finalized and transmitted to the State by the due date.

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.

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

Financial Planning Accounting and Reporting (Continued)

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.

The amount of the expenditures charged to the current year's final reports for all Federal awards for the 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 sixty day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 (as amended) 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 District designated the School Business Administrator to be the Qualified Purchasing Agent and approved by resolution the bid threshold of \$44,000. The Interim School Business Administrator was not a Qualified Purchasing Agent, thereby, reducing the threshold effective December 1, 2020 to \$32,000.

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 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.

Based on the results of our examination, we did note that individual payments, contracts, or agreements made for the performance of any work or goods or services were 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.

Finding 2021-003 – Our audit noted that payments to certain vendors accumulated during the school year exceeded the quote and bid threshold, however, documentation to support the quotes, state and/or cooperative contracts or bid were not available for audit. In addition, business registration certificates (BRC's) and political contribution disclosure forms (PCD's) for certain vendors were not on file in the District as required by the New Jersey Local Public Contracts Law.

Recommendation – The District adhere to all purchasing requirements contained in the New Jersey Local Public Contracts Law.

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.

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

School Food Service

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.

Therefore, SFA’s 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 SFA’s were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of free and reduced price meal eligible students.

SFA’s were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all free and reduced price meal eligible students during the emergency.

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA’s expenditures of school food service revenues were limited to allowable direct and indirect costs.

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

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific cost applicable to the emergency operations.

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 district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with NJSA 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC cost reimbursable contract addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will have a profit of at least \$50,000. The operating results provision has been met. 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.

Expenses 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 expenses for program related goods and services. The appropriate revenue and expense records were maintained in order to substantiate the non-profit status of the school food service.

Finding 2021-004 – Net cash resources exceeded three months average expenses.

Recommendation – The District review the operations of its Food Service Enterprise Fund to ensure that the net cash resources does not exceed the average of three-month expenses.

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

School Food Service (Continued)

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the edit check worksheet was completed. Reimbursement claims were submitted in a timely manner. 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 and to the list of directly certified students on file, times the number of operating days. The free and reduced price meal policy was reviewed for uniform administration throughout the school system.

During the 2020/2021 school year, the District was subject to a procurement review of the 2019/2020 School Nutrition Program. The report included one finding. The Board approved a corrective action plan in response to this finding.

The Food Service management company did provide the USDA mandated Non-Program Food Revenue Tool.

Food Distribution Program commodities were received and a single inventory was maintained on first-in, first-out basis. Exhibits reflecting Child Nutrition Program operations are included in the CAFR on Exhibits B-4, B-5 and B-6.

Student Activity Funds/Athletic Association

The Board has a policy, which establishes the regulation of student activity funds.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2020 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, bilingual 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 exceptions noted. The information that was included on the application was verified with exception. The results are presented in the Schedule of Audited Enrollments.

Comment – Our audit of the District’s Application for State School Aid (“ASSA”) noted the following:

- The On-Roll workpapers reported four (4) more students than the ASSA. In addition, we noted one (1) more student in the class registers than reported on the workpapers.
- The low income workpapers reported four (4) fewer students than the ASSA.
- The LEP low income workpapers reported two (2) fewer students than the ASSA.
- The LEP not low income workpapers reported four (4) fewer students than the ASSA.

The above findings were immaterial; therefore an audit recommendation is not warranted.

The district maintained workpapers on the prescribed State forms or their equivalent. The district written procedures appear to be adequate 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 results of our procedures are presented in the Schedule of Audited Enrollments.

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

Pupil Transportation (Continued)

Finding 2021-005 – Our audit of the DRTRS noted the following:

- One student who graduated in June 2019 was reported on the DRTRS.
- Numerous students were reported in the incorrect school.
- Two students did not have a valid IEP on October 15th nor could we locate them on a class register.

Recommendation – The District review its internal procedures relating to the submission of the DRTRS to ensure all student counts are accurately reported.

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 maintains a Capital Assets ledger in its accounting software system.

Miscellaneous

The School District complied with continuing disclosure agreements made in relation to the District's outstanding bond issuances.

The District adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 relating to the testing for lead of all drinking water in educational facilities. The annual Statement of Assurance was submitted to the Department of Education pursuant to N.J.A.C. 6A:26-12.4(g).

Suggestions to Management

- Consideration be given to consolidate the various scholarship bank accounts.
- Capital Projects Fund grant receivables be reviewed and cleared of record.
- A formal policy for the use of store cards be developed and adopted by the Board.

**KEARNY BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Program	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>
National School Lunch	Summer Food Services Program (SFSP)	171,234	54,902	54,902
Breakfast	Summer Food Services Program (SFSP)	<u>171,234</u>	<u>54,902</u>	<u>54,902</u>
TOTAL		<u>342,468</u>	<u>109,804</u>	<u>109,804</u>

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

Current Assets

Cash and Cash Equivalents	\$	903,943
Due from Other Governments		144,257
		1,048,200

Current Liabilities

Less:		
Accounts Payable		(100,784)
Net Cash Resources	\$	947,416

Adjusted Total Operating Expense:

Total Operating Expenses	\$	945,888
Less Depreciation		(36,379)
Adjusted Total Operating Expense	\$	909,509

Average Monthly Operating Expense:

\$ 90,951

Three Times Monthly Average:

\$ 272,853

Total Net Cash Resources	\$	947,416
Three Times Monthly Average		272,853
Amount Above Allowable Net Cash Resources	\$	674,563

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

	2020-2021 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 Verfiied	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Full Day Preschool 3 yrs	19		19		-	-	9		9			-	-				
Full Day Preschool 4 yrs	172		172				21		21			-	-				
Full Day Kindergarten	269		269				34		34			-	-				
Grade 1	279		280		1	-	46		46			-	-				
Grade 2	268		268				85		86			1	-				
Grade 3	294		294				62		62			-	-				
Grade 4	287		287				50		50			-	-				
Grade 5	273		274		1	-	39		39			-	-				
Grade 6	289		289				55		55			-	-				
Grade 7	328		329		1	-	329		329			-	-				
Grade 8	322		322				322		321			(1)	-				
Grade 9	390		390				390		391			1	-				
Grade 10	364		364				364		361			(3)	-				
Grade 11	339		339				339		339			-	-				
Grade 12	354		354		-	-	354		355			1	-				
Subtotal	4,247	-	4,250	-	3	-	2,499	-	2,498	-		(1)	-	-	-	-	-
Special Educ. - Elementary	385		385				133		131			(2)	-	12	9	9	
Special Educ. - Middle	223		224		1	-	156		158			2	-	8	7	7	
Special Educ. - High	301		301		-	-	301		303			2	-	28	21	21	-
Subtotal	909	-	910	-	1	-	590	-	592	-		2	-	48	37	37	-
Totals	5,156	-	5,160	-	4	-	3,089	-	3,090	-		1	-	48	37	37	-
Percentage Error					0.08%	0.00%						0.03%	0.00%				0.00%

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

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Worpapers	Verified to Application and Register	Errors
Full Day Kindergarten	178	176	2	4	4		32	28	(4)	5	5	-
Grade 1	193	192	1	4	4		37	38	1	5	5	
Grade 2	196	196	-	3	3		27	31	4	6	6	
Grade 3	210	210	-	6	6		42	43	1	6	6	-
Grade 4	205	205	-	5	5	-	29	28	(1)	5	5	-
Grade 5	195	195	-	4	4		23	22	(1)	4	4	
Grade 6	193	192	1	4	4		11	11	-	2	2	
Grade 7	226	226	-	5	5		21	21	-	3	3	
Grade 8	199	199	-	4	4		20	20		4	4	
Grade 9	225	225		6	6		19	19		3	3	
Grade 10	196	196		5	5		21	21		4	4	
Grade 11	173	173		5	5		23	23		4	4	
Grade 12	198	198	-	4	4	-	26	26	-	5	5	-
Subtotal	2,587	2,583	4	59	59	-	331	331	-	56	56	-
Special Educ. - Elementary	284	284	-	6	6	-	17	15	(2)	3	3	-
Special Educ. - Middle	148	149	(1)	3	3	-	2	2	-	-	-	-
Special Educ. - High	167	166	1	3	3	-	4	4	-	1	1	-
Subtotal	599	599	-	12	12	-	23	21	(2)	4	4	-
Totals	3,186	3,182	4	71	71	-	354	352	(2)	60	60	-
Percentage Error			<u>0.13%</u>			<u>0.00%</u>			<u>-0.57%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Special Educ. Without Special Ne	99.0	99.0	-	28.0	25.0	(3.0)
Special Educ. With Special Need	88.0	88.0	-	25.0	18.0	(7.0)
	187.0	187.0	-	53.0	43.0	(10.0)
Percentage Error			<u>0.00%</u>			<u>-18.87%</u>

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

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Worpapers	Sample Verified to Register	Errors
Full Day Kindergarten	14	14	-	4	4	
Grade 1	23	21	2	7	7	
Grade 2	12	7	5	3	3	
Grade 3	10	10	-	3	3	
Grade 4	15	17	(2)	5	5	
Grade 5	12	10	2	4	4	
Grade 6	4	4		2	2	
Grade 7	6	6		3	3	
Grade 8	8	8		4	4	
Grade 9	9	9		4	4	
Grade 10	11	11		5	5	
Grade 11	13	13		6	6	
Grade 12	13	13	-	6	6	-
Subtotal	<u>150</u>	<u>143</u>	<u>7</u>	<u>56</u>	<u>56</u>	<u>-</u>
Special Educ. - Elementary	8	11	(3)			
Special Educ. - Middle	1	2	(1)			
Special Educ. - High	2	1	1			-
Subtotal	<u>11</u>	<u>14</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>161</u>	<u>157</u>	<u>4</u>	<u>56</u>	<u>56</u>	<u>-</u>
Percentage Error			<u>2.48%</u>			<u>0.00%</u>

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

2020-2021 Total General Fund Expenditures per the CAFR		\$ 111,471,435
Increased by:		
Transfer to Special Revenue Fund		37,000
		111,508,435
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ 18,519,786	
Assets Acquired Under Capital Leases	374,394	
		18,894,180
Adjusted 2020-2021 General Fund Expenditures		\$ 92,614,255
4% of Adjusted 2020-2021 General Fund Expenditures		\$ 3,704,570
Allowable Adjustments -		
FFCRA SEMI	19,514	
Extraordinary Aid	963,999	
		983,513
Maximum Unassigned Fund Balance		\$ 4,688,083
Total General Fund - Fund Balance at June 30, 2021		\$ 17,570,463
Decreased by:		
Year End Encumbrances		1,122,697
Other Restricted Fund Balances - Capital Reserve		6,176,505
Other Restricted Fund Balances - Maintenance Reserve		3,772,775
Other Restricted Fund Balances - Adult Education Programs		53,932
Other Restricted Fund Balances - Unemployment Compensation Reserve		913,891
Designated for Subsequent Year - FFCRA SEMI		19,514
Designated for Subsequent Year's Budget - Excess Surplus		583,411
Designated for Subsequent Year's Budget		239,655
Total Unassigned Fund Balance		\$ 4,688,083
Restricted Fund Balance - Excess Surplus		\$ 0
<u>Recapitulation of Restricted Excess Surplus as of June 30, 2020</u>		
Excess Surplus - Designated for Subsequent Year's Expenditures		\$ 583,411
Excess Surplus		-
		\$ 583,411

**KEARNY BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Year end accruals be reviewed to ensure that the amounts are recorded to the appropriate budget account.
2. The District reconcile the salaries charged to the ESEA Title I programs with amounts approved by the Board, and if required the board resolutions be amended prior to year end to ensure that the employee's time and activity reports agrees with the Board's actions.

III. School Purchasing Program

3. It is recommended that the District adhere to all purchasing requirements contained in the New Jersey Local Public Contracts Law.

IV. School Food Service

- * 4. It is recommended that the District review the operations of its Food Service Enterprise Fund to ensure that the net cash resources does not exceed the average of three-month expenses.

V. Student Body Activities/Athletics/Scholarships

There are none.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

- * 5. It is recommended that the District review it's internal procedures relating to the submission of on the DRTRS to ensure that all student count are accurately reported.

VIII. Facilities and Capital Assets

There are none.

IX. Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all, except for the above recommendation denoted with an asterisk (*).