

NORTH ARLINGTON SCHOOL DISTRICT

**AUDITOR'S MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE**

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NORTH ARLINGTON SCHOOL DISTRICT
 AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -
 FINANCIAL, COMPLIANCE AND PERFORMANCE
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REPORT OF INDEPENDENT AUDITOR


The Honorable President and
Members of the Board of Education
North Arlington School District
County of Bergen
North Arlington, New Jersey

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the North Arlington School District in the County of Bergen for the year ended June 30, 2021 and have issued our report thereon dated February 22, 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.

This report is intended for the information of the North Arlington School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.


DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants


MAURICIO CANTO
Certified Public Accountant
Licensed Public School Accountant
No. 2541

Bayonne, New Jersey
February 22, 2022

**NORTH ARLINGTON SCHOOL DISTRICT
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, the activities of the Board of Education, and the records of the Athletic Fund, The Student Activity Fund, Food Service Fund and Special Revenue Fund under the auspices of the Board of Education.

ADMINISTRATIVE PRACTICES AND PROCEDURES

Insurance

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

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

There is an Employee Dishonesty and Unfaithful Performance Policy with the School Alliance Insurance Fund covering all other employees with coverage of \$500,000.

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Samantha Dembowski	School Business Administrator/ Board Secretary	\$250,000

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Examination of Claims

A test examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification and proper itemization and/or supporting documentation.

Payroll Account and Position Control Roster

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and the Board's required payroll contributions were deposited in the Agency Reserve Account.

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

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium withholding due to the general fund.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2020 or proper classification of orders as reserve for encumbrances and accounts payable. No discrepancies were noted.

Travel

No exceptions were noted.

**NORTH ARLINGTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23-2.2(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 classification to determine overall reliability and compliance with *N.J.A.C. 6A:23-8.3*. As a result of the procedures performed, no transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. General Classification Findings - No exceptions were noted

B. Administrative Classification Findings – No exceptions were noted

Board Secretary's Records/Business Administrator

Our review of the financial and accounting records maintained by the Board Secretary/Business Administrator did not disclose any exceptions.

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 the projects under Titles I and VI of the Elementary and Secondary School Education Act as amended and reauthorized.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

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 ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

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.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report for all federal awards for the District to reimburse the State for the TPAF/FICA payment made by the State on-behalf of the 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 required by the Office of Grants Management, 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 as obligated and not expended and as an unliquidated balance in the current year's Final Report for all federal awards.

**NORTH ARLINGTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021**

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2010 and thereafter, the bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:39-3(a) are \$44,000 with a Qualified Purchasing Agent (QPA) and \$32,000 without a QPA, respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A.* 18A:39-3 is currently \$19,600 for 2020-21.

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or goods or service, 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 not note any individual payments, contracts, or agreements 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 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.

SCHOOL FOOD SERVICES

COVID – 19 Emergency

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus all 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, the District was required to institute alternate procedures to provide meals to free and reduced price eligible students during the period of school closures.

During SY 2020-2021 the public health emergency was still applicable. As a result, the district was required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) option.

The District was authorized to solicit and award emergency noncompetitive procurements and contracts with its food service management company (FSMC) in accordance with 2 CFR 200.320 and *N.J.S.A.* 18A:18A-7. The District was 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.

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

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal counts records were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

Expenditures should be separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supplies 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.

**NORTH ARLINGTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021**

SCHOOL FOOD SERVICES (Continued)

The District recorded and maintained separate supporting documentation for additional costs applicable to the implementation of the COVID-19 meal service under SSO program requirements.

The FSMC did apply for and receive a loan in accordance with the Payroll Protection plan and did use the funds to pay for costs applicable to the food service programs. The PPP loan has not been forgiven as of the date of this report, however, the FSMC is in the process of applying to be forgiven.

Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all school food service employees authorized by the District. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the edit check worksheet was completed. Reimbursement claims were submitted in a timely manner.

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

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

STUDENT BODY ACTIVITIES

Overall, cash receipts and disbursements records for the schools were maintained in satisfactory 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 (ASSA) for on-roll, private schools for the handicapped, low income and bilingual. We also performed a review of the district procedures related to its completion. The information on the ASSA was compared to the district workpapers without exception. The information that was included on the workpapers was verified. 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 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 some exceptions. 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.

FACILITIES AND CAPITAL ASSETS

Our procedures included a review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the General Fund and awarding of contracts for eligible facilities construction. No exceptions were noted.

**NORTH ARLINGTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021**

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 including findings. Corrective action had been taken on all prior year findings.

ACKNOWLEDGMENT

We received the complete cooperation of all the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.


DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants


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No. 2541

Bayonne, New Jersey
February 22, 2022

NORTH ARLINGTON SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
ENTERPRISE FUND
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDER CLAIM - FEDERAL
FOR FISCAL YEAR ENDED JUNE 30, 2021

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER/ UNDER CLAIM
Seamless Summer Option (SSO) National School Lunch	Free	65,305	10,379	10,379	-	3.51	-
School Breakfast (Regular Rate)	Free	11,353	1,862	1,862	-	1.89	-
School Breakfast (Severe needs Rate)	Free	54,449	13,690	13,690	-	2.26	-
	Total	<u>131,107</u>	<u>25,931</u>	<u>25,931</u>	<u>-</u>		<u>\$ -</u>

NORTH ARLINGTON SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
ENTERPRISE FUND
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDER CLAIM - STATE
FOR FISCAL YEAR ENDED JUNE 30, 2021

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER)/ UNDER CLAIM
Seamless Summer Option (SSO) State Reimbursement National School Lunch (High Rate)	Free	65,305	10,379	10,379	-	0.055	\$ -
Total Net (Over)/Under Claim	Total	65,305	10,379	10,379	-		\$ -

**NORTH ARLINGTON SCHOOL DISTRICT
NET CASH RESOURCE SCHEDULE**

**Net cash resourced did not exceed three months of expenditures
Proprietary Fund - Food Service
for the Fiscal Year Ended June 30, 2021**

		<u>Food Service Exhibits B-4/5</u>
NET CASH RESOURCES:		
CAFR	Current Assets*	
B-4	Cash and cash equivalents	\$ 12,394
B-4	Accounts receivable	111,979
CAFR	Current Liabilities	
B-4	Accounts payable	<u>(51,597)</u>
NET CASH RESOURCES		<u><u>\$ 72,776 (A)</u></u>
 NET ADJUSTED TOTAL OPERATING EXPENSE:		
CAFR		
B-5	Total Operating Expenses	394,130
B-5	Less Depreciation	<u>(10,344)</u>
NET ADJUSTED TOTAL OPERATING EXPENSE		<u><u>\$ 383,786 (B)</u></u>
 AVERAGE MONTHLY OPERATING EXPENSE:		
	Monthly Average	<u>\$ 38,379 (C)</u>
	B ÷ 10	
AVERAGE MONTHLY OPERATING EXPENSE		<u><u>\$ 115,137 (D)</u></u>
	3 x C	

TOTAL IN BOX A	\$ 72,776
LESS TOTAL IN BOX D	<u>(115,137)</u>
NET	<u><u>\$ (42,361)</u></u>

From above:

A is greater than D, cash exceeds 3 times average monthly operating expenses.

D is greater than A, cash does not exceed 3 times average monthly operating expenses.

* Inventories are not to be included in total current assets.

SOURCE: USDA resource management comprehensive review form.

NORTH ARLINGTON SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

SCHEDULE OF AUDITED ENROLLMENTS

	2021-2022 Application for State School Aid				Sample of Verification				Private Schools for Disabled					
	Reported on ASSA On Roll		Reported on Workpapers On Roll		Sample Selected from Workpapers		Verified per Registers On Roll		Reported on A.S.S.A. as Private Schools		Sample Verified		Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Kindergarten	139	-	139	-	139	-	139	-	-	-	-	-	-	-
One	125	-	125	-	125	-	125	-	-	-	-	-	-	-
Two	125	-	125	-	125	-	125	-	-	-	-	-	-	-
Three	110	-	110	-	110	-	110	-	-	-	-	-	-	-
Four	114	-	114	-	114	-	114	-	-	-	-	-	-	-
Five	134	-	134	-	134	-	134	-	-	-	-	-	-	-
Six	138	-	138	-	138	-	138	-	-	-	-	-	-	-
Seven	127	-	127	-	127	-	127	-	-	-	-	-	-	-
Eight	137	-	137	-	137	-	137	-	-	-	-	-	-	-
Nine	128	-	128	-	128	-	128	-	-	-	-	-	-	-
Ten	97	1	97	1	97	-	97	-	-	-	-	-	-	-
Eleven	115	-	115	-	115	-	115	-	-	-	-	-	-	-
Twelve	134	-	134	-	134	-	134	-	-	-	-	-	-	-
Subtotal	1,623	1	1,623	1	1,623	-	1,623	-	-	-	-	-	-	-
Special Ed - Elementary	118	-	118	-	118	-	118	-	-	-	8	8	-	-
Special Ed - Middle School	62	-	62	-	62	-	62	-	-	-	-	-	-	-
Special Ed - High School	78	-	78	-	78	-	78	-	-	-	9	9	-	-
Subtotal	258	-	258	-	258	-	258	-	-	19	17	17	-	-
TOTALS	1,881	1	1,881	1	1,881	-	1,881	-	-	19	17	17	-	-
Percentage Error			0.00%		0.00%		0.00%		0.00%					0.00%

**NORTH ARLINGTON SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020**

SCHEDULE OF AUDITED ENROLLMENTS

	2021-2022 Application for State School Aid			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 Workpapers	Verified to Test Score and Register	Sample Errors
Full Day Kindergarten	8	8	-	4	4	-	1	1	-	-	-	-
One	24	24	-	20	20	-	6	6	-	4	4	-
Two	31	31	-	16	16	-	5	5	-	4	4	-
Three	30	30	-	14	14	-	6	6	-	4	4	-
Four	30	30	-	12	12	-	3	3	-	1	1	-
Five	26	26	-	14	14	-	3	3	-	1	1	-
Six	29	29	-	14	14	-	3	3	-	1	1	-
Seven	29	29	-	12	12	-	-	-	-	-	-	-
Eight	37	37	-	17	17	-	2	2	-	2	2	-
Nine	28	28	-	11	11	-	1	1	-	1	1	-
Ten	23	23	-	12	12	-	3	3	-	3	3	-
Eleven	21	21	-	10	10	-	1	1	-	1	1	-
Twelve	33	33	-	11	11	-	1	1	-	1	1	-
Subtotal	349	349	-	167	167	-	35	35	-	22	22	-
Special Ed - Elementary	41	41	-	11	11	-	1	1	-	1	1	-
Special Ed - Middle School	27	27	-	10	10	-	1	1	-	-	-	-
Special Ed - High School	20	20	-	8	8	-	-	-	-	-	-	-
Subtotal	88	88	-	29	29	-	2	2	-	1	1	-
TOTALS	437	437	-	196	196	-	37	37	-	23	23	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

	Transportation			Reported	Recalculated
	Reported on DRTS by DOE/County	Reported on DRTS by District	Errors		
Reg. - Public Schools, Col. 1	21	21	-	8.6	8.6
Reg. - Special Ed., Col. 4	15	15	-	8.6	8.6
Special Ed., Special Trans. Col. 6	38	38	-	8.0	8.0
Courtesy Student	1	1	-	-	-
TOTALS	75	75	-	8.0	8.0
Percentage Error			0.00%		

NORTH ARLINGTON SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

SCHEDULE OF AUDITED ENROLLMENTS

	2021-2022 Application for State School Aid			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	9	9	-	7	7	-
One	6	6	-	6	6	-
Two	5	5	-	5	5	-
Three	1	1	-	1	1	-
Four	4	4	-	4	4	-
Five	1	1	-	1	1	-
Six	3	3	-	3	3	-
Seven	1	1	-	1	1	-
Eight	2	2	-	2	2	-
Nine	5	5	-	3	3	-
Ten	4	4	-	2	2	-
Eleven	1	1	-	1	1	-
Twelve	2	2	-	1	1	-
Subtotal	44	44	-	37	37	-
Special Ed - Elementary	4	4	-	4	4	-
Special Ed - Middle School	1	1	-	1	1	-
Special Ed - High School	1	1	-	1	1	-
Subtotal	6	6	-	6	6	-
TOTALS	50	50	-	43	43	-
Percentage Error			0.000%			0.000%

**NORTH ARLINGTON SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

SECTION 1

Calculation A: 4 Percent Excess Surplus

2020-21 Total General Fund Expenditures per the ACFR, Exhibit C-1	<u>\$ 33,163,159</u>	(A)
Increased by Applicable Operating Transfers:		
Transfer from Capital Outlay to Capital Projects	<u>441,354</u>	(A1a)
Transfer from Reserve to Capital Projects	<u>-</u>	(A1a)
Transfer from G/F to SRF for Preschool - Regular	<u>-</u>	(A1a)
Transfer from G/F to SRF for Preschool - Inclusion	<u>121,527</u>	(A1a)
Less:		
Expenditures Allocated to Restricted Federal Resources as Reported on Exhibit D-2	<u>-</u>	(A1b)
2020-21 Adjusted General Fund & Other State Expenditures [(A) - (A1)-(A1b)]	<u>\$ 33,726,040</u>	(A2)
Decreased by:		
On-Behalf TPAF Pension & Social Security	<u>\$ (4,867,412)</u>	(A3)
Assets Acquired Under Capital Leases:		
General Fund 10 Assets Acquired Under Capital Leases reported on Exhibit C-1a	<u>\$ (68,624)</u>	(A4)
Add:		
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases:		
Assets Acquired Under Capital Leases in Fund 15 reported on Exhibit C-1a	<u>-</u>	(A5)
Combined General Fund Contribution & State Resources % of Fund 15 Resources Reported on Exhibit D-2	<u>0.00%</u>	(A6)
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5) x (A6)]	<u>-</u>	(A7)
Total Assets Acquired Under Capital Leases [(A4) + (A7)]	<u>(68,624)</u>	(A8)
2020-21 General Fund Expenditures [(A2) - (A3) - (A8)]	<u>\$ 28,790,004</u>	(A9)
4% of Adjusted 2020-2021 General Fund Expenditures [(A9) x 4%]	<u>\$ 1,151,600</u>	(A10)
Enter Greater of (A10) or \$250,000	<u>1,151,600</u>	(A11)
Increased by: Allowable Adjustment*	<u>683,822</u>	(K)
Maximum Unassigned Fund Balance [(A11) + (K)]	<u>\$ 1,835,422</u>	(M)

SECTION 2

Total General Fund - Fund Balances at June 30, 2021	<u>\$ 15,852,407</u>	(C)
Decreased by:		
Year-end Encumbrances	<u>(843,732)</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>-</u>	(C2)
Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>(4,877,207)</u>	(C3)
Other Restricted Fund Balances****	<u>(4,000,000)</u>	(C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>-</u>	(C5)
Total Unassigned Fund Balance [(C) - (C1) - (C2) - (C3) - (C4) - (C5)]	<u>\$ 6,131,468</u>	(U)

**NORTH ARLINGTON SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

SECTION 3

Restricted Fund Balance - Excess Surplus***[(U) - (M)] IF NEGATIVE ENTER -0-	<u>\$ 4,296,046</u> (E)
Summary:	
Restricted Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>\$ 4,877,207</u> (C3)
Restricted Excess Surplus***[(E)]	<u>4,296,046</u> (E)
Total [(C3) + (E)]	<u>\$ 9,173,253</u> (D)

* This adjustment line (line (K) as detailed below) is to utilized for Impact Aid, Sale and Lease-back, Extraordinary Aid, and Additional Nonpublic School Transportation Aid, and unbudgeted FICA Wage Freeze Grant Revenue, if applicable. Extraordinary Aid and Additional Nonpublic School Transportation Aid for 2019-20 received after June 30 is limited to the amount of revenue recognized in the audit year that was not appropriated.

Detail of Allowable Adjustments

Impact Aid	<u>\$ -</u> (H)
Sale & Lease-back	<u>-</u> (I)
Extraordinary Aid	<u>683,822</u> (J1)
Additional Nonpublic School Transportation Aid	<u>-</u> (J2)
Current Year School Bus Advertising Revenue Recognized	<u>-</u> (J3)
Family Crisis Transportation Aid	<u>-</u> (J4)
Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]	<u>\$ 683,822</u> (K)

** See (E) above. The amount must agree with the June 30, 2020 ACFR and Audit Summary Worksheet Line 90030.

*** This amount represents the June 30, 2020 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

**** Amount for Other Restricted Fund Balance must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to that Assistant to the Commissioner – Field Services prior to September 30

- (N1) Capital reserve at June 30, 2021
- (N2) Maintenance reserve minimum required under EFCFA
- (N3) Tuition reserve at June 30, 2021
- (N4) Emergency reserve at June 30, 2021
- (N5) School bus fuel offset reserve – current year - June 30, 2021
- (N6) School bus fuel offset reserve – prior year - June 30, 2021
- (N7) Impact Aid general fund reserve at June 30, 2021
- (N8) Impact Aid capital fund reserve at June 30, 2021

Detail of Other Restricted/Reserved Fund Balance

Statutory restrictions:

Approved unspent separate proposal	<u>-</u>
Sale/lease-back reserve	<u>-</u>
Capital reserve (N-1)	<u>4,000,000</u>
Maintenance reserve (N-2)	<u>-</u>
Tuition reserve (N-3)	<u>-</u>
Emergency reserve (N-4)	<u>-</u>
School Bus Advertising 50% Fuel Offset Reserve - current year (N-5)	<u>-</u>
School Bus Advertising 50% Fuel Offset Reserve - prior year (N-6)	<u>-</u>
Impact Aid General Fund Reserve (Section 8002 and 8003) (N-7)	<u>-</u>
Impact Aid Capital Fund Reserve (Section 8007 and 8008) (N-8)	<u>-</u>

[Other Restricted/Reserved Fund Balance not noted above]****

Capital reserve - reserved for local share of 2020-2021 district budget	<u>-</u>
Maintenance reserve - reserved for local share of 2020-2021 district budget	<u>-</u>

Total Other Restricted/Reserved Fund Balance \$ 4,000,000 (C4)

**NORTH ARLINGTON SCHOOL DISTRICT
AUDIT RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
3. School Purchasing Programs
None
4. School Food Services
None
5. Student Body Activities
None
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Testing for Lead and All Drinking Water in Educational Facilities
None
10. Follow-Up on Prior Year Findings
Not Applicable