

**PASSAIC PUBLIC SCHOOLS  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2021**

**PASSAIC PUBLIC SCHOOLS  
TABLE OF CONTENTS**

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

	<u>Page No.</u>
Report of Independent Auditor's	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-5
School Purchasing Programs	5
Food Service Fund	5-6
Student Body Activities	6
Scholarship	6
Application for State School Aid	6
Pupil Transportation	7
Facilities and Capital Assets	7
Miscellaneous	7
Follow-up on Prior Year Findings	7
Suggestions to Management	7
Schedule of Meal Count Activity	8
Schedule of Net Cash Resources - Food Service Fund	9
Schedule of Audited Enrollments	10-12
Excess Surplus Calculation	13
Schedule of Encumbrances	14
Recommendations	15-16
Acknowledgement	16



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

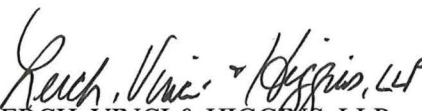
Honorable President and Members  
of the Board of Education  
Passaic Public Schools  
Passaic, New Jersey


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, 2021, and have issued our report thereon dated March 11, 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 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  
March 11, 2022

**PASSAIC PUBLIC SCHOOLS  
ADMINISTRATION 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 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 Schedule of Insurance reported on Exhibit J-20 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 (July 1, 2020 to December 31, 2021)	\$ 88,000
Ryan Aaron Bowman	Comptroller, Interim Board Secretary/School Business Administrator/Purchasing Agent	150,000
Paul Gabarini	Treasurer of School Monies	1,100,000

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, 2021**

**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.

**Finding 2021-01** – Our audit of accounts payable and encumbrances noted the following:

- General Fund encumbrances were overstated by \$12,837,537 due to the purchase order for the transfer to school-based budgets (SBB) not being adjusted and closed prior to year end.
- There were outstanding encumbrances reported in the General Fund (\$688,701), Special Revenue Fund (\$106,550) and Capital Projects Fund (\$110,005) that were not valid and were subsequently cancelled by the District during the 2021/22 school year.
- The year end open purchase order report included several orders that do not appear to meet the criteria for an encumbrance or were reported as negative amounts.
- The balance of the General Fund accounts payable in the General Ledger was \$136,494 greater than on the accounts payable report.

**Recommendation** – Greater care be taken in the reporting of year end encumbrances. Furthermore, accounts payable and encumbrance balances be in agreement with the subsidiary reports.

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.

**Finding 2021-02** – Our audit noted that the District's General Fund revenue and accounts receivables were overstated by the state aid reduction of \$5,200,757.

**Recommendation** – The District periodically review the revenue and accounts receivable balances to ensure that the account balances are accurately reported.

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.

**PASSAIC PUBLIC SCHOOLS  
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**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.

**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.

The New Jersey Department of Education performed a monitoring of Title I, Title III, IDEA, ESSER and Perkins V in May, 2021. The monitoring report disclosed several findings. The Board approved a corrective action plan on December 21, 2021 to address the findings.

**Finding 2021-03** – Time and activity reports for employees charged to federally funded programs were not always dated by the employee and/or supervisor. In addition, the time and activity report did not always correspond to the percentage of the employee's salary charged to the program.

**Recommendation** – Time and activity reports be periodically reviewed to ensure that the activity report is properly dated and in agreement with the percentage of time the individual works on the grant program.

**Finding 2021-04 (CAFR Finding 2021-001)** – Our audit indicated that the District did not maintain the required level of effort with respect to Special Education expenditures related to the IDEA grant program.

**Recommendation** – The District maintain its level of effort with respect to special education expenditures funded from state and/or local funds in accordance with Federal IDEA grant compliance requirements.

**PASSAIC PUBLIC SCHOOLS  
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**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.

**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 \$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 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 public health emergency 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 eligible students during the period of school closures. During 2020-2021 the public health emergency was still applicable. As a result, School Food Authorities (SFA) were 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 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.

**PASSAIC PUBLIC SCHOOLS  
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Food Service Fund (Continued)**

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.

The number of meals claimed for reimbursement was verified against meal count records. 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. Reimbursement is based on meals claimed. 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, 2020 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.



**PASSAIC PUBLIC SCHOOLS  
ADMINISTRATION FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2020-21 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.

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 2021-05** – 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 Elementary Schools 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, 2021**

<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					
Summer Food Service Program	Free	5,070,269	1,678,368	1,678,368	-
National School Breakfast					
Summer Food Service Program	Free	5,070,078	1,678,247	1,678,247	-

**PASSAIC PUBLIC SCHOOLS  
FOOD SERVICE ENTERPRISE FUND  
CALCULATION OF NET CASH RESOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Current Assets**

Cash and Cash Equivalents	\$ 7,406,442
Due from Other Governments	3,625,266

**Current Liabilities**

Less:

Accounts Payable	(6,425,909)
Accrued Salaries, Wages and Benefits	(96,064)
Due to Other Funds	(994,747)

<b>Net Cash Resources</b>	<b><u>\$ 3,514,988</u></b>
---------------------------	----------------------------

**Adjusted Total Operating Expenses:**

Total Operating Expenses	\$ 32,985,058
Less Depreciation	<u>(86,603)</u>

Adjusted Total Operating Expenses	<b><u>\$ 32,898,455</u></b>
-----------------------------------	-----------------------------

<b><u>Average Monthly Operating Expenses:</u></b>	<b><u>\$ 3,289,846</u></b>
---	----------------------------

<b><u>Three Times Monthly Average:</u></b>	<b><u>\$ 9,869,537</u></b>
--	----------------------------

Total Net Cash Resources	\$ 3,514,988
Three Times Monthly Average	<u>9,869,537</u>

Amount Below Allowable Net Cash Resources	<b><u>\$ (6,354,549)</u></b>
---	------------------------------

**PASSAIC PUBLIC SCHOOLS  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2020  
SCHEDULE OF AUDITED ENROLLMENTS**

	2019-2020 Application for State School Aid						Sample for Verification						On Roll - Special Education			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		Sample for Verifi- cation	Sample Verified	Sample Errors	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 Kindergarten	257		257				43		43										
Grade 1	503		503				186		186										
Grade 2	735		735				80		80										
Grade 3	762		762				79		79										
Grade 4	782		782				71		71										
Grade 5	753		753				56		56										
Grade 6	810		810				57		57										
Grade 7	788		788				43		43										
Grade 8	901		901				50		50										
Grade 9	919		919				60		60										
Grade 10	905		905				61		61										
Grade 11	814		814				145		145										
Grade 12	757		757				458		458										
Post- Graduate	754		754				101		101										
Adult High School (15+ Credits)	706		706				540		540										
Subtotal	11,146	-	11,146	-	-	-	2,030	-	2,030	-	-	-	-	-	-	-	-	-	-
Sp Ed - Elementary	631		631				59		59			31	31		24.0	8	8		
Sp Ed - Middle School	511		511				23		23			19	19		24.0	10	10		
Sp Ed - High School	513		513				11		11			20	20		102.0	31	31		
Subtotal	1,655	-	1,655	-	-	-	93	-	93	-	-	70	70	-	150.0	49	49	-	-
Totals	12,801	-	12,801	-	-	-	2,123	-	2,123	-	-	70	70	-	150.0	49	49	-	-
Percentage Error														0.00%					

**PASSAIC PUBLIC SCHOOLS  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2020  
SCHEDULE OF AUDITED ENROLLMENTS**

	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
Full Day Kindergarten	811	816	(5)	5	5	-
Grade 1	845	847	(2)	5	4	1
Grade 2	861	861	-	5	5	-
Grade 3	831	834	(3)	5	4	1
Grade 4	890	890	-	5	4	1
Grade 5	866	866	-	5	5	-
Grade 6	945	946	(1)	5	4	1
Grade 7	969	970	(1)	5	5	-
Grade 8	955	957	(2)	5	5	-
Grade 9	864	865	(1)	5	5	-
Grade 10	814	815	(1)	5	5	-
Grade 11	798	799	(1)	4	4	-
Grade 12	781	783	(2)	4	4	-
<b>Subtotal</b>	<b>11,230</b>	<b>11,249</b>	<b>(19)</b>	<b>63</b>	<b>59</b>	<b>4</b>
Sp Ed - Elementary	666	665	1	4	4	-
Sp Ed - Middle School	543	542	1	3	3	-
Sp Ed - High School	603	597	6	3	3	-
<b>Subtotal</b>	<b>1,812</b>	<b>1,804</b>	<b>8</b>	<b>10</b>	<b>10</b>	<b>-</b>
DCF Regional Day School	1	1	-	-	-	-
Train Sch/Secure Care	1	1	-	-	-	-
Juvenile Community Center	7	7	-	-	-	-
Juvenile Detention Center	10	10	-	-	-	-
<b>Subtotal</b>	<b>19</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>13,061</b>	<b>13,072</b>	<b>(11)</b>	<b>73</b>	<b>69</b>	<b>4</b>
Percentage Error			<u>(0)</u>			<u>5.48%</u>

	Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
	365	365	-	8	8	-
	343	342	1	8	7	1
	369	369	-	8	8	-
	329	329	-	7	6	1
	320	320	-	7	7	-
	251	251	-	5	5	-
	187	187	-	4	4	-
	119	119	-	3	2	1
	113	112	1	3	1	2
	107	107	-	2	2	-
	111	112	(1)	3	3	-
	115	115	-	3	3	-
	106	106	-	2	1	1
<b>Subtotal</b>	<b>2,835</b>	<b>2,834</b>	<b>1</b>	<b>63</b>	<b>57</b>	<b>6</b>
	279	279	-	6	6	-
	62	62	-	1	1	-
	13	14	(1)	1	1	-
<b>Subtotal</b>	<b>354</b>	<b>355</b>	<b>(1)</b>	<b>8</b>	<b>8</b>	<b>-</b>
	1	1	-	-	-	-
<b>Subtotal</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>3,190</b>	<b>3,190</b>	<b>-</b>	<b>71</b>	<b>65</b>	<b>6</b>
Percentage Error			<u>-</u>			<u>8.45%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	654	654	-	37	37	-
Regular - Special Ed	210	210	-	12	12	-
Special Needs	368	368	-	20	20	-
<b>Subtotal</b>	<b>1,232</b>	<b>1,232</b>	<b>-</b>	<b>69</b>	<b>69</b>	<b>-</b>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**PASSAIC PUBLIC SCHOOLS  
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 ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application	Errors
Full Day Kindergarten	3	3		1	1	
Grade 1	6	6		5	5	
Grade 2	1	1		1	1	
Grade 3	7	7		3	3	
Grade 4	4	4		2	2	
Grade 5	4	4		2	2	
Grade 6						
Grade 7						
Grade 8						
Grade 9						
Grade 10						
Grade 11	1	1		1	1	
Grade 12						
Subtotal	26	26	-	15	15	-
Sp Ed - Elementary	1	1		1	1	
Sp Ed - Middle School						
Sp Ed - High School						
Subtotal	1	1		1	1	-
Totals	27	27	-	16	16	-
Percentage Error			- =====			- =====

**PASSAIC PUBLIC SCHOOLS  
EXCESS SURPLUS CALCULATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2020-2021 Total General Fund Budgetary Expenditures	\$ 305,590,623
Adjustments	
Transfers to Special Revenue Fund	6,846,015
Transfer to Capital Projects from Capital Reserve	7,047,654
Expenditures allocated to restricted federal sources as reported on Exhibit D-2	<u>(8,698,472)</u>
2020-2021 Adjusted General Fund Budgetary Expenditures	\$ 310,785,820
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>(45,297,731)</u>
Adjusted 2020-21 General Fund Budgetary Expenditures	<u>\$ 265,488,089</u>
4% of Adjusted 2020-21 General Fund Budgetary Expenditures	\$ 10,619,524
Allowable Adjustments	
Extraordinary Aid	<u>5,304,425</u>
Maximum Unreserved/Undesignated Fund Balance	\$ 15,923,949
Total General Fund - Fund Balances at June 30, 2021 (Budgetary Basis)	\$ 71,595,948
Decreased by:	
Encumbrances	3,487,807
Other Restricted Fund Balances	
Capital Reserve	11,287,547
Maintenance Reserve	12,482,350
Emergency Reserve	1,000,000
Assigned - Designated for FFCRA SEMI	79,817
Assigned - Designated for Subsequent Year's Budget	<u>27,220,080</u>
Total Unassigned Fund Balance	<u>16,038,347</u>
Excess Surplus, June 30, 2021	<u>\$ 114,398</u>
<b><u>Analysis of Excess Surplus</u></b>	
Excess Surplus	<u>\$ 114,398</u>

**PASSAIC PUBLIC SCHOOLS  
SCHEDULE OF ENCUMBRANCES  
BOARD SECRETARY REPORT (FUNDS 10 AND 15)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Description	Total by Category	Amount Encumbered	Balance of Encumbrances
Purchased Professional and Technical Services	\$ 100,000	\$ 100,000	
Purchased Services	443,650	301,957	\$ 141,693
Cleaning, Repairs and Maintenance	130,962	130,962	
Supplies and Materials			
Energy (Natural Gas)	95,508		95,508
Energy (Electricity)	451,500		451,500
Equipment - Admin. Info. Tech.	97,147	97,147	
Unaudited	<u>2,169,040</u>	<u>2,169,040</u>	<u>-</u>
	<u>\$ 3,487,807</u>	<u>\$ 2,799,106</u>	<u>688,701</u>
Fund Balance, Encumbrances, June 30, 2021			
Assigned			\$ 3,487,807
			<u>\$ 3,487,807</u>



**PASSAIC PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**RECOMMENDATIONS**

**I. Administration Practices and Procedures**

There are none.

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

It is recommended that:

1. Greater care be taken in the reporting of year end encumbrances. Furthermore, accounts payable and encumbrance balances be in agreement with the subsidiary reports.
2. The District periodically review the revenue and accounts receivable balances to ensure that the account balances are accurately reported.
3. Time and activity reports be periodically reviewed to ensure that the activity report is properly dated and in agreement with the percentage of time the individual works on the grant program.
4. The District maintain its level of effort with respect to special education expenditures funded from state and/or local funds in accordance with Federal IDEA grant compliance requirements.

**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**

- \* 5. 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.

**PASSAIC PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

A review was performed on all prior years' recommendations and corrective action was taken on all prior year recommendations, except those denoted with an asterisk (\*).

**ACKNOWLEDGEMENT**

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