

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
COUNTY OF WARREN
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
COUNTY OF WARREN
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
TABLE OF CONTENTS

Cover Letter.....	1
Scope of Audit.....	2
Administrative Practices and Procedures	2
Insurance	2
Officials in Office and Surety Bonds	2
Tuition Charges	2
Financial Planning, Accounting and Reporting	2
Examination of Claims	2
Payroll Account and Position Control Roster.....	3
Reserve for Encumbrances and Accounts Payable.....	4
Classification of Expenditures	5
General Classifications	5
Administrative Classifications	5
Board Secretary's Records	5
Treasurer's Records.....	6
Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act.....	6
T.P.A.F. Reimbursement	6
T.P.A.F. Reimbursement to the State for Federal Salary Expenditures.	6
Other Special Federal and/or State Projects	6
School Purchasing Programs.....	7
Contracts and Agreements Requiring Advertisement for Bids	7
School Food Service.....	8
Student Body Activities	9
Application for State School Aid.....	9
Pupil Transportation	9
Travel Expense and Reimbursement Policy	10
Facilities and Capital Assets	10
Testing for Lead of all Drinking Water in Educational Facilities	11
Management Suggestions.	11
Status of Prior Year's Findings/Recommendations	11
Schedule of Meal Count Activity (Not Applicable)	
Schedule of Net Cash Resources (Not Applicable)	
Schedule of Audited Enrollments	12
Excess Surplus Calculation	17
Summary of Recommendations	19

November 19, 2021

The Honorable President and Members
of the Board of Education
Allamuchy Township School District
County of Warren, New Jersey

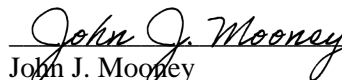
We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Allamuchy Township School District in the County of Warren for the fiscal year ended June 30, 2021, and have issued our report thereon dated November 19, 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 letter does not affect our report dated November 19, 2021, on the financial statements of the Board.

We will review the status of the comments during our next audit engagement. We have already discussed these comments, recommendations 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 recommendations and suggestions.

This report is intended for the information of the Allamuchy Township 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.

Nisivoccia LLP
NISIVOCCIA LLP



John J. Mooney
Licensed Public School Accountant #2602
Certified Public Accountant

ALLAMUCHY TOWNSHIP 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 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>
James Schlessinger	Business Administrator	\$ 180,000
Donna Trainello	Board Secretary	\$ 180,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The Board made a proper adjustment to the billings to sending districts for the decrease 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 did indicate discrepancies with respect to signatures, certification or supporting documentation as detailed below:

Finding: 2021-001

During the course of the audit, it was noted that some purchase orders were not available for audit review and some purchase orders were missing approval signatures.

Recommendation:

It is recommended that all purchases orders be maintained on file for audit review and all approval signatures be obtained on purchase orders.

Management's Response:

All purchases orders will be maintained and all approval signatures be obtained.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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.

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

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

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.

Finding: 2021-002

During our review of the payroll bank reconciliations, it was noted that the Flexible Spending and Net Payroll bank reconciliations were not prepared in a timely manner.

Recommendation:

It is recommended that bank reconciliations be prepared in a timely manner.

Management's Response:

Bank reconciliations will be prepared in a timely manner.

Finding: 2021-003

During our review of the payroll registers it was noted that the required approval signatures are not obtained.

Recommendation:

It is recommended that all payroll registers be reviewed and all required approval signatures be obtained.

Management's Response:

Payroll registers will be reviewed and required approval signatures will be obtained.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Finding: 2021-004

During our review of the District's records, it was noted that an analysis of the Payroll Agency balance owed to various agencies is not prepared.

Recommendation:

It is recommended that the District prepare and maintain an analysis of the Payroll Agency balance.

Management's Response:

The District will prepare and maintain an analysis of the Payroll Agency balance.

Finding: 2021-005

During our review of the District's records, it was noted that employee health benefit contributions were not calculated correctly.

Recommendation:

It is recommended that the District ensure that the employee health benefit contributions are properly calculated.

Management's Response:

The District will prepare the employee health benefit contributions are properly calculated.

Finding: 2021-006

During our review of the District's records, overtime pay and stipends were missing approvals.

Recommendation:

It is recommended that the District review overtime timesheets and stipends prior to payment.

Management's Response:

The District will review all overtime and stipends for approval prior to payment.

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.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A: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 testing procedures. In addition to randomly selecting as a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. Overall compliance was noted except as noted below.

Finding: 2021-007

There were several line items within the budget that were over-expended during the year. These over-expenditures mainly arose as a result of the retro pay being added to accounts payable for salaries. Upon booking the entries for the retro pay, it was determined that many of the salary line items were underbudgeted, as the line items did not budget for enough funding for the retro pay.

Recommendation:

It is recommended that Appropriation Transfers are made when necessary to ensure that appropriation lines are not over-expended.

Management's Response:

The District will ensure that appropriation transfers are made when necessary to prevent appropriation line over-expenditures.

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 except as noted below.

Finding: 2021-008

During our review of the June 2021 Monthly Transfer Report, we noted that transfers in excess of 10% were made to the Extra-Curricular Activities, Improvement of Instruction & Staff Training and General Administration line items without County Superintendent approval. The most significant transfers were to the Improvement of Instruction & Staff Training line item for several webinars and was over-funded in the budget.

Recommendation:

It is recommended that the District obtain the County Superintendent's approval for all transfers as required by N.J.S.A. 6A:23A-13.3.

Management's Response:

The District will ensure that County Superintendent approval be obtained for all transfers.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Board Secretary's Records

Finding: 2021-009

During our review of the District's records, it was noted that Rutherford Hall has a large negative cash deficit.

Recommendation:

It is recommended that greater care is taken in monitoring expenditures to ensure cash deficits in the Rutherford Hall Enterprise Fund do not occur and a corrective Action Plan should be implemented to address the deficit in net position.

Management's Response:

The District will take greater care in monitoring expenditures to ensure cash deficits in the Rutherford Hall Enterprise Fund do not occur and a corrective Action Plan will be implemented to address the deficit in net position

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 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 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.

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.

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 CAFR.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Other Special Federal and/or State Projects (Cont'd)

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.

School 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 . . ."

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 2020-21.

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. General compliance was noted.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

School Purchasing Programs (Cont'd)

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

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.

School Food Service

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 the appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

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. No exceptions were noted.

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

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records, meal counts, noncompetitive procurements, modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs.

We also inquired if the PPP Loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA if the FSMC received a PPP loan.

Finding: 2021-010

During our review of the District's records, it was noted that food service fund general ledger cash postings did not agree with the bank reconciliations.

Recommendations:

It is recommended that greater care be taken when reconciling the food service fund bank account and posting cash transactions into the general ledger.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

School Food Service (Cont'd)

Management Response:

The District will ensure that greater care is taken when reconciling the food service fund bank account and posting cash transactions into the general ledger.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Student Activity 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 the following comment.

Finding: 2021-011

During our review of the District's records, it was noted some that not all expenses paid were related to the Student Activities Fund.

Recommendation:

It is recommended that all expenses are charged to the proper line item accounts.

Management Response:

The District will ensure that all expenses are charged to the proper line item accounts.

Application for State School Aid

Our audit procedures included a test of enrollments and related services reported in the October 15, 2020 Application for State School Aid (A.S.S.A.) 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 without exception. 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 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 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 without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Pupil Transportation (Cont'd)

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.

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 require the District to establish a maximum travel for the year and to ensure that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and that the approval must be itemized by event, event total cost, and individuals attending.

Findings: 2021-012

During our review of the District's records, it was noted that travel expenditures did not have prior approval by a majority of the full voting membership of the Board. Furthermore, brief reports required by N.J.S.A 18A:11-12(d) to substantiate the purpose and relevance of non-regular travel were not obtained.

Recommendations:

It is recommended that travel expenditures have prior approval by a majority of the Board and the District maintain brief reports required by N.J.S.A 18A:11-12(d) that substantiate the purpose and relevance of non-regular travel.

Management's Responses:

Travel expenditure will have prior approval by the majority of the full voting membership of the Board. The District will maintain brief reports required by N.J.S.A 18A:11-12(d) that substantiate the purpose and relevance of non-regular travel.

Facilities and Capital Assets

There were no School Development Authority (SDA) projects for the fiscal year ended June 30, 2021.

Finding: 2021-013

The District's list of current year capital assets additions and current year depreciation expense was not incorporated into the capital assets records maintained by the District.

Recommendation:

It is recommended that the District have a formal inventory of the District's capital assets conducted by an independent appraisal company to ensure that the District's capital assets records are complete.

Management's Response:

The District will engage an independent appraisal company to conduct a full formal inventory of the District's capital assets.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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.

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.

Status of Prior Year's Findings/Recommendations

There were no prior year recommendations.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

	2021-2022 Application for State School Aid						Sample for Verification							
	Reported on		Reported on		Errors		Sample		Verified per		Registers		Errors	
	On Roll	Shared	On Roll	Shared	Full	Shared	Full	Shared	Full	Shared	On Roll	Shared	Full	Shared
Half Day Preschool 3 Years Old	5		5				5				5			
Half Day Preschool 4 Years Old	9		9				9				9			
Full Day Kindergarten	39		39				39				39			
Grade One	28		28				28				28			
Grade Two	39		39				39				39			
Grade Three	43		43				43				43			
Grade Four	38		38				38				38			
Grade Five	46		46				46				46			
Grade Six	30		30				30				30			
Grade Seven	38		38				38				38			
Grade Eight	48		48				48				48			
Subtotal	363		363				363				363			
Special Education:														
Elementary	46		46				4				4			
Middle	14		14				2				2			
Subtotal	60		60				6				6			
Totals	423		423				369				369			
Percentage Error					0.00%								0.00%	0.00%

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

	Resident Low Income					
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Grade One	3	3		1	1	
Grade Two	5	5				
Grade Four	4	4				
Grade Five	3	3		1	1	
Grade Six	3	3		1	1	
Grade Seven	2	2				
Grade Eight	3	3				
Subtotal	<u>23</u>	<u>23</u>		<u>3</u>	<u>3</u>	
Special Education:						
Elementary School	5	5		1	1	
Middle School	1	1		1	1	
Subtotal	<u>6</u>	<u>6</u>		<u>2</u>	<u>2</u>	
Totals	<u>29</u>	<u>29</u>		<u>5</u>	<u>5</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

	Resident LEP Low Income					
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Grade Five	2	2		1	1	
Grade Eight	1	1		1	1	
Subtotal	3	3		2	2	
Totals	3	3		2	2	
Percentage Error			0.00%			0.00%

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

	Resident LEP Not Low Income					
	Reported on ASSA as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Grade Six	1	1		1	1	
Subtotal	1	1		1	1	
Totals	<u>1</u>	<u>1</u>		<u>1</u>	<u>1</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
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	451	451		20	20	
Regular - Special Education	46	46		2	2	
AIL - Non Public	39	39		1	1	
Special Needs - Public	30	30		1	1	
Special Needs - Private	5	5		1	1	
Totals	571	571		25	25	
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	5.1	5.1
Average Mileage - Regular Excluding Grade PK Students	5.1	5.1
Average Mileage - Special Education with Special Needs	8.7	8.7

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2021

Regular District

Section 1

4% Calculation of Excess Surplus

2020-2021 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$12,010,188</u> (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0-</u> (B1b)	
Transfer from General Fund to SRF for Prek-Regular	<u>\$ -0-</u> (B1c)	
Transfer from General Fund to SRF for Prek-Inclusion	<u>\$ -0-</u> (B1d)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 1,166,523</u> (B2a)	
Assets Acquired Under Capital Leases	<u>\$ 325,000</u> (B2b)	
Adjusted 2020-2021 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$10,518,665</u> (B3)	
4% of Adjusted 2020-2021 General Fund Expenditures [(B5) times .04]	<u>\$ 420,747</u> (B4)	
Enter Greater of (B4) or \$250,000	<u>\$ 420,747</u> (B5)	
Increased by: Allowable Adjustment	<u>\$ 12,027</u> (K)	
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 432,774</u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/2021 (Per CAFR Budgetary Comparison Schedule/Statement)	<u>\$ 813,223</u> (C)	
Decreased by:		
Year-end Encumbrances	<u>\$ 148,192</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>\$ 100,906</u> (C3)	
Other Restricted Fund Balances	<u>\$ 282,091</u> (C4)	
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 33,289</u> (C5)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 248,745</u> (U)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2021

Section 3

Restricted Fund Balance-Excess Surplus [(U)-(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 \$ 100,906 (C3)

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

Total [(C3)+(E)] \$ 100,906 (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

Sale & Lease-back \$ -0- (I)

Extraordinary Aid \$ 717 (J1)

Additional Nonpublic School Transportation Aid \$ 11,310 (J2)

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

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

Total Adjustments (H)+(I)+(J1)+(J2)+(J3) \$ 12,027 (K)

Detail of Other Restricted Fund Balances

Statutory Restrictions:

Approved Unspent Separate Proposal \$ -0-

Sale/Lease-back Reserve \$ -0-

Capital Reserve \$ 203,532

Maintenance Reserve \$ 71,813

Tuition Reserve \$ -0-

Emergency 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 \$ 6,746

Other Restricted Fund Balance not Noted Above \$ -0-

Total Other Restricted Fund Balance \$ 282,091 (C-4)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
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
2021-001: All purchases orders be maintained on file for audit review and all approval signatures be obtained on purchase orders.
2021-002: Bank reconciliations be prepared in a timely manner.
2021-003: All payroll registers be reviewed, and all required approval signatures be obtained.
2021-004: The District prepare and maintain an analysis of the Payroll Agency balance.
2021-005: The District ensure the employee health benefit contributions are properly calculated.
2021-006: The District review overtime timesheets and stipends prior to payment.
2021-007: Appropriation Transfers are made when necessary to ensure that appropriation lines are not over-expended.
2021-008: The District obtain the County Superintendent's approval for all transfers as required by N.J.S.A. 6A:23A-13.3.
2021-009: Greater care is taken in monitoring expenditures to ensure cash deficits in the Rutherford Hall Enterprise Fund do not occur and a Corrective Action Plan should be implemented to correct operating deficit.
3. School Purchasing Program
None
4. School Food Service
2021-010: Greater care be taken when reconciling the food service fund and posting cash transactions into the general ledger.
5. Student Body Activities
2021-011: All expenses are charged to the proper line item accounts.
6. Application for State School Aid
None
7. Pupil Transportation
None

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

8. Travel Expenses and Travel Reimbursement Policy

2021-012: Travel expenditures have prior approval by a majority of the board and the District maintain brief reports required by N.J.S.A 18A:11-12(d) that substantiate the purpose and relevance of non-regular travel.

9. Facilities and Capital Assets

2021-013: The District have a formal inventory of the District's capital assets conducted by an independent appraisal company to ensure that the District's capital assets records are complete.

10. Status of Prior Year's Findings/Recommendations

There were no prior year recommendations.