

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

**CARTERET BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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INDEPENDENT AUDITOR’S MANAGEMENT REPORT

Honorable President and
Members of the Board of Trustees
Carteret Board of Education
Carteret, 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 basic financial statements of the Carteret Board of Education as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated March 9, 2022.

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

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

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

Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
March 9, 2022

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

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, 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 Exhibit J-20, Insurance Schedule, contained in the district's CAFR.

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

<u>Name</u>	<u>Position and Coverage Period</u>	<u>Amount</u>
Hector Berrios	Board Secretary	\$340,000
Carmela Collazo	Board Designee	340,000

There is Public Employee Dishonesty with Faithful Performance coverage with the New Jersey Schools Insurance Group covering all other employees in the amount of \$250,000.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of payroll taxes were deposited in the Payroll Agency Account.

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

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

Payrolls were delivered to the Board Secretary who then deposited with warrants in separate bank accounts, for net payroll and withholdings.

The Board implemented and maintains a personnel tracking and accounting (Position Control) system.

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

Financial Planning, Accounting and Reporting (Continued)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for proper classifications of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3.

Board Secretary's Records

The financial records, books of account and minutes maintained by the Board Secretary were in satisfactory condition

The Board's Secretary's and Board Designee's monthly financial reports were presented monthly to the board on a timely basis and were submitted to the executive county superintendent as prescribed by N.J.S.A. 18A:17-9 and 18A:17-36.

The Board Secretary promptly deposited all cash receipts.

The prescribed contractual order system was followed.

Finding 2021-1 – Our audit revealed the original budget included in the District's revenue report for the Special Revenue Fund was not in agreement with the adopted budget.

Recommendation – The original budget included in the District's revenue report for the Special Revenue Fund be in agreement with the adopted budget.

Finding 2021-2 – The audit indicated that the District did not receive \$945,959 of its 2020/21 tax levy as of June 30, 2021. No recommendation is warranted since the Borough of Carteret only made the funds available on July 12, 2021 as a result of the effects of COVID-19.

Finding 2021-3 (CAFR Finding 2021-001) – Our audit indicated that the District's Governmental and Enterprise Funds cash balances in the general ledgers and monthly cash reports were not reconciled to the monthly bank reconciliations as of June 30, 2021.

Recommendation – The cash balances in the District's general ledgers, Board Secretary's reports and monthly cash reports be reconciled to the bank reconciliations on a monthly basis.

Board Designee – Bank Reconciliations

The Board Designee other than the Board Secretary performed cash reconciliations for the general operating account, payroll account and payroll agency accounts.

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 CAFR. This section of the CAFR documents the financial position pertaining to projects under Titles I, II, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

Finding 2021-4 (CAFR Finding 2021-002) – The audit of federal grant reimbursements indicated the District did not request certain reimbursements for actual grant expenditures during the 2020/21 fiscal year.

Recommendation – Grant reimbursement requests for federal programs be made on a timely basis.

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

Financial Planning, Accounting and Reporting (Continued)

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Exhibits K-3 and 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 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.

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.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current years Final Report 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 prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid threshold in accordance with N.J.S.A. 18A:18A-2, 18A:18A-3(a) is \$44,000 with a qualified purchasing agent. The law regulating bidding for public school transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,600.

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, c.198 (c.40A:11-9), the board of education may establish that the bid threshold may be up to \$44,000. 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. The Board has designated the Business Administrator as the qualified purchasing agent and approved the bid threshold at \$44,000.

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.

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 when there had been no advertising bids in accordance with the provision of N.J.S.A. 18A:18A-4, amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

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

School Food Service

PUBLIC HEALTH 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 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, School Food Authorities (SFA's) 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.

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A. 18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

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

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

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

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts and meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Meals claimed did agree with meal count records. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal policy is uniformly administered throughout the school system.

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC cost reimbursable contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$100,000. The operating results provision has been met. All vendor discounts, rebates and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

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.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all school food services employees authorized by the board of education. No exceptions were noted.

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

School Food Service (Continued)

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.

USDA Food Distribution Program commodities were received and a single inventory was maintained on a first-in first-out basis. No exceptions were noted.

The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements.

The FSMC did not apply for and receive a loan in accordance with the Payroll Protection Plan.

The District engaged Maschio's Food Services, Inc. to operate its food service operation during the 2020/21 school year.

Finding 2021-5 – The Food Service Fund net cash resources exceeded the maximum amount permitted by the New Jersey State Department of Education. No recommendation is warranted as a result of the District receiving reimbursements in accordance with the SSO as a result of COVID-19.

Enrichment Academy

The District operates an enrichment academy to provide a before and after school program. The District maintains cash receipts and disbursements records. Cash disbursements had proper supporting documentation.

Student Body Activity

The Board has a policy which clearly established the regulation of student activity funds.

Cash receipts and disbursements were properly recorded and bank reconciliations were prepared for all bank accounts.

Cash disbursements had proper supporting documentation.

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, related services, 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 A.S.S.A. was compared to the district workpapers with immaterial exception. The information that was included on the workpapers was verified with immaterial exceptions. 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.

**CARTERET BOARD OF EDUCATION
ADMINISTRATIVE 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 2020-2021 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with no exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Testing for Lead of all Drinking Water in Educational Facilities

The school district adhered to all requirements of N.J.A.C. 26-12 and 12.4 related to the testing for lead of all drinking water in education facilities.

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Facilities and Capital Assets

The District had no SDA grant projects during the year.

The District utilized a third party provider to maintain the District's capital assets records.

Finding 2021-6 – Our audit of the District's Food Service Fund capital assets revealed the capital assets report provided for audit did not accurately reflect all current year additions.

Recommendation – All current year additions be properly reflected in the District's capital assets report.

Suggestions to Management

Old outstanding checks on District bank reconciliations be reviewed and cleared of record.

**CARTERET BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

SCHEDULE OF MEAL COUNT ACTIVITY

NOT APPLICABLE

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

Net Cash Resources

Current Assets

Cash and Cash Equivalents	\$ 230,127
Due from Other Governments	222,224
Due from Other Funds	<u>246,579</u>

Current Liabilities

Less:	
Accounts Payable	<u>-</u>

Net Cash Resources	<u>\$ 698,930</u>
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Adjusted Total Operating Expense:

Total Operating Expenses	\$ 1,237,519
Less Depreciation	<u>(35,804)</u>

Adjusted Total Operating Expense	<u>\$ 1,201,715</u>
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<u>Average Monthly Operating Expense:</u>	<u>\$ 120,172</u>
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<u>Three Times Monthly Average:</u>	<u>\$ 360,515</u>
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Total Net Cash Resources	\$ 698,930
Three Times Monthly Average	<u>360,515</u>

Excess(Deficit) Net Cash Resources	<u>\$ 338,416</u>
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**CARTERET BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020
SCHEDULE OF AUDITED ENROLLMENTS**

	2021-22 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		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				
Half Day Preschool - 4yr	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 3yr	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool - 4yr	119.0	-	117.0	-	2.0	-	74.0	-	74.0	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	259.0	-	257.0	-	2.0	-	82.0	-	82.0	-	-	-	-	-	-	-
One	235.0	-	235.0	-	-	-	81.0	-	81.0	-	-	-	-	-	-	-
Two	247.0	-	247.0	-	-	-	91.0	-	91.0	-	-	-	-	-	-	-
Three	242.0	-	242.0	-	-	-	98.0	-	98.0	-	-	-	-	-	-	-
Four	235.0	-	235.0	-	-	-	62.0	-	62.0	-	-	-	-	-	-	-
Five	256.0	-	256.0	-	-	-	96.0	-	96.0	-	-	-	-	-	-	-
Six	282.0	-	282.0	-	-	-	282.0	-	282.0	-	-	-	-	-	-	-
Seven	269.0	-	269.0	-	-	-	269.0	-	269.0	-	-	-	-	-	-	-
Eight	238.0	-	238.0	-	-	-	238.0	-	238.0	-	-	-	-	-	-	-
Nine	188.0	-	188.0	-	-	-	188.0	-	188.0	-	-	-	-	-	-	-
Ten	215.0	-	215.0	-	-	-	215.0	-	215.0	-	-	-	-	-	-	-
Eleven	243.0	-	243.0	-	-	-	243.0	-	243.0	-	-	-	-	-	-	-
Twelve	213.0	-	213.0	-	-	-	213.0	-	213.0	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	<u>3,241.0</u>	<u>-</u>	<u>3,237.0</u>	<u>-</u>	<u>4.0</u>	<u>-</u>	<u>2,232.0</u>	<u>-</u>	<u>2,232.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - Elementary	180.0	-	186.0	-	(6.0)	-	29.0	-	29.0	-	-	-	3.0	3.0	3.0	-
Special Ed - Middle School	121.0	-	121.0	-	-	-	17.0	-	17.0	-	-	-	4.0	4.0	4.0	-
Special Ed - High School	107.0	-	107.0	-	-	-	17.0	-	17.0	-	-	-	11.0	11.0	11.0	-
Subtotal	<u>408.0</u>	<u>-</u>	<u>414.0</u>	<u>-</u>	<u>(6.0)</u>	<u>-</u>	<u>63.0</u>	<u>-</u>	<u>63.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	<u>3,649.0</u>	<u>-</u>	<u>3,651.0</u>	<u>-</u>	<u>(2.0)</u>	<u>-</u>	<u>2,295.0</u>	<u>-</u>	<u>2,295.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	<u>-</u>
Percentage Error					<u>-0.05%</u>	<u>0.00%</u>					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>

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

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as LEP low Income</u>	<u>Reported on Workpapers as LEP low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	168.0	168.0	-	5.0	5.0	-	13.0	12.0	1.0	2.0	2.0	-
One	185.0	185.0	-	5.0	5.0	-	43.0	42.0	1.0	8.0	8.0	-
Two	196.0	196.0	-	5.0	5.0	-	33.0	32.0	1.0	6.0	6.0	-
Three	194.0	194.0	-	5.0	5.0	-	39.0	39.0	-	8.0	8.0	-
Four	181.0	181.0	-	5.0	5.0	-	32.0	32.0	-	6.0	6.0	-
Five	199.0	199.0	-	5.0	5.0	-	22.0	22.0	-	4.0	4.0	-
Six	215.0	215.0	-	6.0	6.0	-	15.0	14.0	1.0	3.0	3.0	-
Seven	210.0	210.0	-	6.0	6.0	-	15.0	15.0	-	3.0	3.0	-
Eight	179.0	179.0	-	5.0	5.0	-	9.0	9.0	-	2.0	2.0	-
Nine	144.0	144.0	-	4.0	4.0	-	6.0	6.0	-	1.0	1.0	-
Ten	162.0	162.0	-	4.0	4.0	-	17.0	17.0	-	3.0	3.0	-
Eleven	154.0	154.0	-	4.0	4.0	-	7.0	7.0	-	2.0	2.0	-
Twelve	144.0	144.0	-	4.0	4.0	-	9.0	9.0	-	2.0	2.0	-
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	<u>2,331.0</u>	<u>2,331.0</u>	<u>-</u>	<u>63.0</u>	<u>63.0</u>	<u>-</u>	<u>260.0</u>	<u>256.0</u>	<u>4.0</u>	<u>50.0</u>	<u>50.0</u>	<u>-</u>
Special Ed - Elementary	137.0	137.0	-	4.0	4.0	-	24.0	24.0	-	5.0	5.0	-
Special Ed - Middle	104.0	104.0	-	3.0	3.0	-	10.0	11.0	(1.0)	2.0	2.0	-
Special Ed - High	94.0	94.0	-	2.0	2.0	-	3.0	3.0	-	1.0	1.0	-
Subtotal	<u>335.0</u>	<u>335.0</u>	<u>-</u>	<u>9.0</u>	<u>9.0</u>	<u>-</u>	<u>37.0</u>	<u>38.0</u>	<u>(1.0)</u>	<u>8.0</u>	<u>8.0</u>	<u>-</u>
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
DCF Regional Day School												
Totals	<u>2,666.0</u>	<u>2,666.0</u>	<u>-</u>	<u>72.0</u>	<u>72.0</u>	<u>-</u>	<u>297.0</u>	<u>294.0</u>	<u>3.0</u>	<u>58.0</u>	<u>58.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>1.01%</u>			<u>0.00%</u>

	<u>Transportation</u>					
	<u>Reported on DRTRS by DOE/county</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Reg. - Public Schools, col. 1	221.0	221.0	-	36.0	36.0	-
Reg -SpEd, col. 4	97.0	97.0	-	16.0	16.0	-
Transported - Non-Public, col. 3	31.0	31.0	-	5.0	5.0	-
Special Ed Spec, col. 6	43.0	43.0	-	7.0	7.0	-
Totals	<u>392.0</u>	<u>392.0</u>	<u>-</u>	<u>64.0</u>	<u>64.0</u>	<u>-</u>
Percentage Error					<u>0.00%</u>	

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

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	41.0	39.0	2.0	33.0	33.0	-
One	15.0	15.0	-	12.0	12.0	-
Two	8.0	8.0	-	7.0	7.0	-
Three	3.0	3.0	-	3.0	3.0	-
Four	9.0	9.0	-	8.0	8.0	-
Five	4.0	4.0	-	3.0	3.0	-
Six	6.0	6.0	-	5.0	5.0	-
Seven	3.0	3.0	-	3.0	3.0	-
Eight	5.0	5.0	-	4.0	4.0	-
Nine	3.0	3.0	-	3.0	3.0	-
Ten	5.0	5.0	-	4.0	4.0	-
Eleven	7.0	7.0	-	6.0	6.0	-
Twelve	4.0	4.0	-	3.0	3.0	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>113.0</u>	<u>111.0</u>	<u>2.0</u>	<u>94.0</u>	<u>94.0</u>	<u>-</u>
Special Ed - Elementary	12.0	12.0	-	2.0	2.0	-
Special Ed - Middle	-	-	-	1.0	1.0	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>12.0</u>	<u>12.0</u>	<u>-</u>	<u>3.0</u>	<u>3.0</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>125.0</u>	<u>123.0</u>	<u>2.0</u>	<u>97.0</u>	<u>97.0</u>	<u>-</u>
Percentage Error			<u>1.60%</u>			<u>0.00%</u>

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

SECTION 1B - Four Percent (4%) - Calculation of Excess Surplus (2020-2021 expenditures of \$100 million or less)

2020-2021 Total General Fund Expenditures per the CAFR (Budgetary Basis)	\$ 69,528,615
Decreased by:	
On-Behalf TPAF Pension & Social Security	(12,396,565)
Adjusted 2020-2021 General Fund Expenditures	<u>\$ 57,132,050</u>
4% of Adjusted 2020-2021 General Fund Expenditures	\$ 2,285,282
Increased by: Allowable Adjustments	<u>226,857</u>
Maximum Unassigned Fund Balance	<u>\$ 2,512,139</u>

SECTION 2

Total General Fund - Fund Balance at June 30, 2021	\$ 10,562,864
Decreased by:	
Restricted Fund Balance - Capital Reserve	1,408,518
Restricted Fund Balance - Capital Reserve - Designated for Subsequent Year's Expenditures	1,600,000
Restricted Fund Balance - Emergency Reserve	500,000
Restricted Fund Balance - Unemployment Compensation	282,639
Committed Fund Balance - Year End Encumbrances	193,500
Assigned Fund Balance - Year End Encumbrances	2,681,196
Assigned Fund Balance - FFCRA/SEMI - Designated for Subsequent Year's Expenditures	12,637
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	<u>1,372,235</u>
Total Unassigned Fund Balance	<u>\$ 2,512,139</u>

SECTION 3

Restricted Fund Balance - Excess Surplus	<u>\$ -</u>
Extraordinary Aid (Excess of Amount Budgeted)	\$ 193,957
Additional Nonpublic School Transportation Aid	<u>32,900</u>
	<u>\$ 226,857</u>

**CARTERET BOARD OF EDUCATION
RECOMMENDATIONS**

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

- * 1. The original budget included in the District's revenue reports for the Special Revenue Fund be in agreement with the adopted budget.
- 2. The cash balances in the District's general ledgers, Board Secretary's reports and monthly cash reports be reconciled to the bank reconciliations on a monthly basis.
- 3. Grant reimbursement requests for federal programs be made on a timely basis.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Enrichment Academy

There are none.

VI. Student Body Activities

There are none

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

- 4. It is recommended that all current year additions be properly reflected in the District's capital assets report.

X. Miscellaneous

There are none.

XI. Status of Prior Years' Audit Findings/Recommendations

Corrective action was taken on all of the 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.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Gary W. Higgins
Certified Public Accountant
Public School Accountant