

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
SCHOOL DISTRICT OF THE  
TOWN OF GUTTENBERG  
COUNTY OF HUDSON, NEW JERSEY  
JUNE 30, 2021**

## TABLE OF CONTENTS

	<b>Page No.</b>
Independent Auditors' Report. . . . .	1
Scope of Audit. . . . .	2
Administrative Practices and Procedures	
Insurance.. . . .	2
Official Bonds.. . . .	2
Financial Planning, Accounting and Reporting	
Examination of Claims. . . . .	2
Payroll Account.. . . .	2
Employee Position Control Roster. . . . .	3
Reserve for Encumbrances, Liability for Accounts Payable.. . . .	3
Classification of Expenditures. . . . .	3
Board Secretary's Records.. . . .	4
Fixed Assets... . . . .	4
Treasurer's Records.. . . .	4
Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA).. . . .	4
Other Special Federal and/or State Projects. . . . .	5
T.P.A.F. Reimbursement. . . . .	5
T.P.A.F. Reimbursement to State for Federal Salary Expenditures. . . . .	5
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids.. . . .	6
School Food Service. . . . .	7
Student Body Activities.. . . .	10
Application for State School Aid.. . . .	10
Pupil Transportation.. . . .	10
Testing for Lead of All Drinking Water in Educational Facilities.. . . .	11
Suggestions to Management. . . . .	11
Follow-up on Prior Year Findings.. . . .	11
Acknowledgment. . . . .	11
Schedule of Net Cash Resources. . . . .	12
Schedule of Audited Enrollments. . . . .	13
Excess Surplus Calculation. . . . .	16
Audit Recommendations Summary.. . . .	19



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**REPORT OF INDEPENDENT AUDITORS**

Honorable President and  
Members of the Board of Education  
Town of Guttenberg School District  
County of Hudson, 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 Board of Education of the Town of Guttenberg School District in the County of Hudson for the year ended June 30, 2021, and have issued our report thereon dated January 31, 2022.

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

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

*Steven D. Wielkocz*

Steven D. Wielkocz, C.P.A.  
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*Wielkocz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
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January 31, 2022



**TOWN OF GUTTENBERG SCHOOL DISTRICT**

**ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE  
YEAR ENDED JUNE 30, 2021**

**GENERAL COMMENTS**

**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 of the District's CAFR.

Officials Bonds

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

**Financial Planning, Accounting and Reporting**

Examination of Claims

Our examination of claims submitted for payment for the period under review did not indicate any discrepancies with respect to signatures, certifications 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 fringe benefits were deposited in the Payroll Agency Account.

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

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

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

## TOWN OF GUTTENBERG SCHOOL DISTRICT

### ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE YEAR ENDED JUNE 30, 2021

#### **Financial Planning, Accounting and Reporting, (continued)**

##### Payroll Account, (continued)

The Board of Education made a merit bonus payment that a quantitative merit criterion or a qualitative merit criterion had been satisfied with prior approval by the district Board of Education and Executive County Superintendent, as required by N.J.A.C.6A:23A-3.1(e)10.iv.

**Finding 2021-01:** The District's payroll service provider could not provide the quarterly NJ-927's or electronic verification of the filing and payment of district state gross income taxes, unemployment, family leave and disability withholdings and employer share of taxes.

**Recommendation:** All required tax returns or proof of on-line filing be provided for auditor review to confirm tax filings are made.

##### Employee Position Control Roster

Inquiry and subsequent review of the District's Position Control Roster found no inconsistencies between payroll records, employee benefit records and the general ledger accounts to which the wages are posted and the Position Control Roster.

##### Reserve for Encumbrances, Liability for Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

##### Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditures. 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-8.2. As a result of the procedures performed, a transaction error rate of 1.09% was noted while testing the propriety of expenditure classification.

## TOWN OF GUTTENBERG SCHOOL DISTRICT

### ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE YEAR ENDED JUNE 30, 2021

#### **Financial Planning, Accounting and Reporting, (continued)**

##### Classification of Expenditures, (continued)

**Finding 2021-02:** There were instances in which expenditures in the following categories were not charged to the appropriate line item account in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools: Contracted Custodial Services charged in error to Undistributed Expenditures – Required Maintenance for School Facilities, the salary of the vice principal charged in error to Undistributed Expenditures – Supervisors of Instruction and special education tuition charged in error to Tuition to other LEA’s w/in States – Regular.

**Recommendation:** The District should reference the Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2020 Edition and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23-2.3(f).

##### Board Secretary's Records

The Board Secretary's records were reviewed and found to be in good condition.

##### Fixed Assets

The general fixed asset records were updated for the additions and disposals of general fixed assets made during the year.

##### Treasurer's Records

The District does not have a Treasurer.

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

The study of compliance for E.S.E.A. indicated the following areas of noncompliance and/or questionable costs:

## TOWN OF GUTTENBERG SCHOOL DISTRICT

### ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE YEAR ENDED JUNE 30, 2021

#### **Financial Planning, Accounting and Reporting, (continued)**

#### Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA), (continued)

**\*Finding 2021-03 and CAFR Finding 2021-001:** There were instances in which employee time and effort documentation did not detail the Title I activities performed and did not contain the signature of the employee and/or supervisory official.

**\*Recommendation:** Employee time and effort documentation detail the Title I activities performed, be signed by the employee and approved by a supervisory approval. Greater effort be made to ensure that time and effort documentation be completed as required and maintained on file for review to support payroll charged to the Title I grant.

#### 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.

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 of the aforementioned special projects.

#### T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for the District employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

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

The amount of the expenditure charged to the current year's Final 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 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.

## TOWN OF GUTTENBERG SCHOOL DISTRICT

### ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE YEAR ENDED JUNE 30, 2021

#### **Financial Planning, Accounting and Reporting, (continued)**

##### T.P.A.F. Reimbursement to the State for Federal Salary Expenditures (continued)

\***Finding 2021-04:** The reimbursement to the State of New Jersey for pension and social security paid on federally funded programs was overstated by \$6,140 because of the inclusion of non-pensionable wages.

\***Recommendation:** District staff review all wages charged to federal programs and confirm that only TPAF pensionable wages are included in the calculation of the reimbursement to the State of NJ for pension and social security paid on federally funded programs.

#### **School Purchasing Programs**

##### Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term ‘competitive contracting’, which is defined as “the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received.” Also, subsection (aa) defines the term ‘concession’ to exclude vending machines.

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a “Qualified Purchasing Agent” (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. “In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted.”

Effective July 1, 2020 and thereafter, 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.



## TOWN OF GUTTENBERG SCHOOL DISTRICT

### ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE YEAR ENDED JUNE 30, 2021

#### **School Purchasing Programs. (continued)**

##### Contracts and Agreements Requiring Advertisement for Bids, (continued)

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 Solicitor's opinion should be sought before a commitment is made.

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, amended.

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

#### **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 alternative procedures to provide meals to eligible students during the period of school closures.

During SY 2020-2021 the Public Health Emergency was still applicable. As a result, School Food Service Authorities (SFAs) 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.

## TOWN OF GUTTENBERG SCHOOL DISTRICT

### ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE YEAR ENDED JUNE 30, 2021

#### **School Food Service, (continued)**

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

The financial transactions and statistical records of the School Food Service Fund were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the edit check worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

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

Applications for free and reduced meals were reviewed for completeness and accuracy. The number of free and reduced 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 meal policy is uniformly administered throughout the School System. The required verification procedures for free applications was completed and available for review.

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 of Fixed Price 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 \$40,000. The operating results provision has been met. All vendor discounts, rebates and credits from the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures were separately recorded for food purchases and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursement 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.

# TOWN OF GUTTENBERG SCHOOL DISTRICT

## ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE YEAR ENDED JUNE 30, 2021

### School Food Service, (continued)

Timesheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Service employees authorized by the Board of Education. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit.

U.S.D.A. commodities were received and a separate inventory was maintained on a first in first out basis. No exceptions were noted.

Net cash resources did exceed three month's average expenditures.

The District maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

The statement of revenues, expenses and changes in net position (CAFR schedule B-5) does separate program and non-program revenues and program and non-program cost of goods sold.

We also 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; modifications 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.

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 or receive a loan in accordance with the Payroll Protection Plan and did not use the funds to pay for costs applicable to the Food Service Programs. The PPP loan was not subsequently forgiven and the FSMC did not refund or credit the applicable amounts to the SFA.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G of the Comprehensive Annual Financial Report.

**\*Finding 2021-05:** Net cash resources exceeded three months average expenditures.

**\*Recommendation:** Steps be taken to reduce the net cash resources in the District Food Service Fund.

## TOWN OF GUTTENBERG SCHOOL DISTRICT

### ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE YEAR ENDED JUNE 30, 2021

#### **Student Body Activities**

A cash receipts and disbursements record is maintained in satisfactory condition.

Cash disbursements had proper signatures and 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, private schools for the handicapped, bilingual and low-income. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with exceptions noted. The information that was included on the workpapers was verified with exception. The results of our procedures are presented in the Schedule of Audited Enrollment.

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.

**\*Finding 2021-06:** There were instances in which the workpapers provided by the district were not in agreement with what was reported on the 2020-21 ASSA Data Listing. The following errors were noted in the following categories: Low Income (6). In addition, our test work revealed errors in the following categories: Low Income (2), and Resident LEP Low Income (2).

**\*Recommendation:** The district should revise workpapers to reflect corrections made during the review process prior to entering the counts in the ASSA Data Listing to ensure the workpapers agree to what's reported.

#### **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.

Other procedures 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.

**TOWN OF GUTTENBERG SCHOOL DISTRICT**

**ADMINISTRATIVE FINDINGS -FINANCIAL, COMPLIANCE AND PERFORMANCE  
YEAR ENDED JUNE 30, 2021**

**Testing for Lead of All Drinking Water in Educational Facilities**

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

**Suggestions to Management**

- The District is issuing “dummy” checks to record the wire transfers for the payment of health benefits. The District should inquire with the software company as to how to delineate a wire transfer in the system rather than a check number being assigned that is subsequently voided.
- All active bank accounts should be noted in the designation of depositories resolution.

**Follow-up on Prior Year Findings**

A review was performed on all prior year recommendations and corrective action was taken on all, except those noted with an “\*”.

**Acknowledgment**

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

Respectfully submitted,

*Steven D. Wielkotz*

Steven D. Wielkotz, C.P.A.  
Licensed Public School Accountant  
No. 816

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Pompton Lakes, New Jersey

January 31, 2022

**TOWN OF GUTTENERG  
BOARD OF EDUCATION**

**Net cash resources did not exceed three months of expenditures  
Proprietary Funds - Food Service  
Year ended June 30, 2021**

<u>Net Cash Resources:</u>		<b>Food Service B - 4/5</b>	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	142,208.00
B-4		Due from Other Gov'ts	62,938.00
B-4		Accounts Receivable	
B-4		Due from Other Funds	
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(19,221.00)
B-4		Less Accruals	
B-4		Less Due to Other Funds	(37,349.00)
B-4		Less Deferred Revenue	
		<b>Net Cash Resources</b>	<b>148,576.00</b> (A)
 <u>Net Adj. Total Operating Expense:</u>			
B-5		Tot. Operating Exp.	239,866.00
B-5		Less Depreciation	(2,960.00)
		Adj. Tot. Oper. Exp.	<b>236,906.00</b> (B)
 <u>Average Monthly Operating Expense:</u>			
		B / 10	<b>23,690.60</b> (C)
 <u>Three times monthly Average:</u>			
		3 X C	<b>71,071.80</b> (D)

TOTAL IN BOX A	148,576.00	
LESS TOTAL IN BOX D	71,071.80	
NET	<b>77,504.20</b>	
From above:		
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>		
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>		

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

SOURCE - USDA resource management comprehensive review form

SCHEDULE OF AUDITED ENROLLMENTS

TOWN OF GUTTENBERG  
BOARD OF EDUCATION

Application for State School Aid Summary  
Enrollment as of October 15, 2020

Year ended June 30, 2021

Enrollment category	2021-2022 Application for State School Aid						Sample for Verification						Private Schools for the Disabled				
	Reported on A.S.S.A. on roll		Reported on workpapers on roll		Errors		Sample Selected from Workpapers		Registers Verified per		Errors		Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool 4yrs	12	-	12	-	-	-	12	-	12	-	-	-	-	-	-	-	
Full Day Kindergarten	80	-	80	-	-	-	80	-	80	-	-	-	-	-	-	-	
One	101	-	101	-	-	-	101	-	101	-	-	-	-	-	-	-	
Two	96	-	96	-	-	-	96	-	96	-	-	-	-	-	-	-	
Three	89	-	89	-	-	-	89	-	89	-	-	-	-	-	-	-	
Four	100	-	100	-	-	-	100	-	100	-	-	-	-	-	-	-	
Five	79	-	79	-	-	-	79	-	79	-	-	-	-	-	-	-	
Six	76	-	76	-	-	-	76	-	76	-	-	-	-	-	-	-	
Seven	88	-	88	-	-	-	88	-	88	-	-	-	-	-	-	-	
Eight	101	-	101	-	-	-	101	-	101	-	-	-	-	-	-	-	
Subtotal	822	-	822	-	-	-	822	-	822	-	-	-	-	-	-	-	
Special Ed - Elementary	57	-	57	-	-	-	57	-	57	-	-	-	2	-	-	-	
Special Ed - Middle School	32	-	32	-	-	-	32	-	32	-	-	-	1	-	-	-	
Special Ed - High School	911	-	911	-	-	-	911	-	911	-	-	-	3	-	-	-	
Percentage																0%	

**SCHEDULE OF AUDITED ENROLLMENTS**

**TOWN OF GUTTENBERG  
BOARD OF EDUCATION**

Application for State School Aid Summary  
Enrollment as of October 15, 2020

Year ended June 30, 2021

Enrollment category	Low Income		Sample for Verification		Resident LEP Low Income		Sample for Verification	
	Reported on A.S.S.A. as Low Income	Reported on workpapers as Low Income	Sample selected from workpapers	Verified to Application and Register	Reported on A.S.S.A as LEP Low Income	Reported on Workpapers LEP Low Income	Sample Selected from Workpapers	Verified to Test score and Register
Full Day Kindergarten	41	41	14	14	14	14	10	10
One	74	74	26	26	27	27	17	17
Two	80	80	26	26	31	30	20	20
Three	71	71	23	23	19	18	12	12
Four	81	80	27	27	14	14	10	10
Five	65	65	22	21	9	8	6	5
Six	61	61	21	21	3	3	2	2
Seven	74	73	24	24	8	8	6	6
Eighth	73	73	26	25	8	8	6	5
Subtotal	620	618	209	207	133	130	89	87
Special Ed - Elementary	38	35	14	14	5	8	6	6
Special Ed - Middle School	27	26	9	9	2	2	1	1
Subtotal	65	61	23	23	7	10	7	7
Totals	685	679	232	230	140	140	96	94
Percentage		1%		1%		0%		2%

Category	Transportation				Reported	Re-calc.
	Reported on DRTRS by DOE	Reported on DRTRS by District	Tested	Verified		
Reg. - Public Schools, col. 1	4	4	4	4	5.3	5.3
Reg -SpEd, col. 4	-	-	-	-	5.3	5.3
Transported - Non-Public, col. 3	3	3	3	3	5.2	5.2
Special Ed Spec, col. 6	7	7	7	7		
Totals						
Percentage						

Avg. Mileage - Regular Excluding Grade PK  
Avg. Mileage - Regular Including Grade PK  
Avg. Mileage - Special Ed with Special Needs



**SCHEDULE OF AUDITED ENROLLMENTS**

**TOWN OF GUTTENBERG  
BOARD OF EDUCATION**

**Application for State School Aid Summary  
Enrollment as of October 15, 2020**

**Year ended June 30, 2021**

Enrollment category	Resident LEP NOT Low Income		Sample for Verification		
	Reported on A.S.A. As NOT Low Income	Reported on workpapers as NOT Low Income	Sample selected from workpapers	Verified to Test Scores and Register	Errors
Full Day Kindergarten	15	15	13	13	-
One	7	6	5	5	-
Two	2	2	2	2	-
Three	3	3	3	3	-
Four	6	6	5	5	-
Five	2	2	2	2	-
Six	3	3	2	2	-
Seven	3	3	3	3	-
Eight	1	1	1	1	-
Subtotal	42	41	36	36	-
Special Ed - Elementary	1	2	1	1	-
Special Ed - Middle School	-	-	-	-	-
Subtotal	1	2	1	1	-
Totals	43	43	37	37	-
Percentage					0%

**GUTTENBERG BOARD OF EDUCATION**  
**EXCESS SURPLUS CALCULATION**

**REGULAR DISTRICT**

**SECTION 1**

**A. 4% Calculation of Excess Surplus**

2020-21 Total General Fund Expenditures per the CAFR, Ex. C-1	\$	<u>20,033,477</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	<u>                    </u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	<u>                    </u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$	<u>                    </u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$	<u>                    </u>	(B1d)
Decreased by:			
On-Behalf TPAF Pension & Social Security	\$	<u>2,738,591</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u>                    </u>	(B2b)
Adjusted 20-21 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$	<u>17,294,886</u>	(B3)
4% of Adjusted 2020-21 General Fund Expenditures [(B3) times .04]	\$	<u>691,795</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>691,795</u>	(B5)
Increased by: Allowable Adjustment *	\$	<u>64,368</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$	<u><u>756,163</u></u>	(M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-21 (Per CAFR Budgetary Comparison Schedule C-1))	\$	<u>6,008,381</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>30,101</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	<u>                    </u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>1,685,437</u>	(C3)
Other Restricted Fund Balances****	\$	<u>1</u>	(C4)
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	\$	<u>33,987</u>	(C5)
Total Unassigned Fund Balance [( C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$	<u><u>4,258,855</u></u>	(U1)

**GUTTENBERG BOARD OF EDUCATION**  
**EXCESS SURPLUS CALCULATION**

**SECTION 3**

Restricted Fund Balance - Excess Surplus\*\*\* [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 3,502,692 (E)

**Recapitulation of Excess Surplus as of June 30, 2021**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>1,685,437</u> (C3)
Reserved Excess Surplus ***[(E)]	\$ <u>3,502,692</u> (E)
Total [(C3) + (E)]	\$ <u>5,188,129</u> (D)

\* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

- (H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2016 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
- (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
- (J1) Extraordinary Aid;
- (J2) Additional Nonpublic School Transportation Aid;
- (J3) Recognized current year School Bus Advertising Revenue; and
- (J4) Family Crisis Transportation Aid

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ <u>64,368</u>	(J1)
Additional Nonpublic School Transportation Aid	\$ _____	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ <u>64,368</u>	 (K)

\*\* This amount represents the June 30, 2021 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amounts must agree to the June 30, 2021 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

**GUTTENBERG BOARD OF EDUCATION**  
**EXCESS SURPLUS CALCULATION**

**Detail of Other Reserved Fund Balance**

Statutory restrictions:		
Approved unspent separate proposal	\$	_____
Sale/Lease-back reserve	\$	_____
Capital Reserve	\$	1
Maintenance Reserve	\$	_____
Emergency Reserve	\$	_____
Tuition Reserve	\$	_____
School Bus Advertising 50% Fuel Offset Reserve - current year	\$	_____
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$	_____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$	_____
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$	_____
Other state/government mandated reserve	\$	_____
[Other Restricted Fund Balance not noted above]****	\$	_____
 Total Other Restricted Fund Balance	 \$	 _____ 1 (C4)

**GUTTENBERG BOARD OF EDUCATION  
AUDIT RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Recommendations:

1. Administrative Practices and Reporting

None

2. Financial Planning, Accounting and Reporting

All required tax returns or proof on on-line filing be provided for auditor review to confirm tax filings were made.

The District should reference the Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2020 Edition and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23-2.3(f).

\*Employee time and effort documentation detail the Title I activities performed, be signed by the employee and approved by a supervisory signature. Greater effort be made to ensure that time and effort documentation be completed as required and maintained on file for review to support payroll charged to the Title I program.

\*District staff review all wages charged to federal programs and confirm that only TPAF pensionable wages are included in the calculation of the reimbursement to the State of New Jersey for pension and social security paid on federally funded programs.

3. School Purchasing Programs

None

4. School Food Service

\*Steps be taken to reduce the net cash resources in the District's Food Service Fund.

5. Student Body Activities

None

6. Application for State School Aid

\*The District should revise workpapers to reflect corrections made during the review process prior to entering the counts in the ASSA Data Listing to ensure the workpapers agree to what's reported and ensure that pupils reported as Low Income and Resident LEP Low Income are supported by appropriate documentation.

**GUTTENBERG BOARD OF EDUCATION  
AUDIT RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Recommendations (cont.):

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7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was take on all prior year findings, except those noted with an “\*”.