

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

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

	<u>Page</u>
Cover Letter	1
General Comments:	2
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	2
Year End for Encumbrances and Accounts Payable	3
Classification of General and Administrative Expenditures	3
Board Secretary's Records	3
Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act	3
Other Special Federal and/or State Projects	3
T.P.A.F. Reimbursement	3
School Purchasing Programs:	4
Contracts and Agreements Requiring Advertisement for Bids	4
School Food Service	5
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	7
Facilities and Capital Assets	7
Travel Expense and Reimbursement Policy	7
Testing for Lead of all Drinking Water in Educational Facilities	7
Management Suggestions	8
Status of Prior Year's Findings/Recommendations	8
Schedule of Meal Count Activity	9
Schedule of Net Cash Resources	10
Schedule of Audited Enrollments	11-15
Excess Surplus Calculation	16-17
Summary of Recommendations	18

December 3, 2021

The Honorable President and Members
of the Board of Education
Hackettstown 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 Hackettstown School District in the County of Sussex for the fiscal year ended June 30, 2021, and have issued our report thereon dated December 3, 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 December 3, 2021, on the financial statements of the Board.

We will review the status of the comments, if any, during our next audit engagement. We have already discussed any comments 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 recommendation.

This report is intended for the information of the Hackettstown 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

Heidi A. Wohlleb

Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer, 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>
Timothy Havlusch	Business Administrator	\$ 250,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C.6A:23-3.1(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 not indicate any discrepancies with respect to signatures, certification or supporting documentation.

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 tested were approved by the Superintendent and certified by the President of the Board, the School Business Administrator, and the Superintendent.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding 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.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Year-End 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 year-end encumbrances and accounts payable.

Classification of General and Administrative 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, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. Overall compliance was noted.

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 comment.

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, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

Other Special Federal and/or State Projects

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

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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. 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.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

School Purchasing Programs (Cont'd)

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

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 financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

The District utilizes a food service management company (FMSC) 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 FMSC Cost Reimbursable Fixed Price contract/addendum were reviewed and audited. The FMSC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$80,280. Operating results provision has been met. No exceptions were noted. 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. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained to substantiate the nonprofit status of the School Food Service Fund. 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.

Time sheets and labor costs provided to the District from the Food Service contractor were reviewed on a test basis without exception. Payroll records were maintained on all School Food Service employees authorized by the Board of Education. No exceptions were noted.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

School Food Service (Cont'd)

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

Finding 2021-001:

During our testing of the meal count records, it was noted that the District underclaimed meals in the amount of \$339. As the amount of the underclaim is minor, no formal recommendation is deemed necessary.

Applications for free and reduced-price meals were reviewed for completeness and accuracy. The number of free and reduced-price meals claimed as served was compared to the number of valid applications/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced-price meal policy was reviewed for uniform administration throughout the school district. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced-price applications were waived by the New Jersey Department of Agriculture for fiscal year 2021. No exceptions were noted.

U.S.D.A. Food Distribution Program commodities (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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

Exhibits reflecting Child Nutrition Program operations are included in the section entitled "Proprietary Funds", Section G of the CAFR.

Student Body Activities

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

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 disabled, 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.

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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.

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.

Facilities and Capital Assets

Our procedures included a review of the NJSDA grant agreements for consistency with recording NJSDA revenue, transfer of local funds from the General Fund or from the Capital Reserve Account and awarding of contracts for eligible facilities construction. No exceptions were noted.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal travel policy and procedure pertaining to travel expenses and reimbursements for its employees and board members. The regulations require the District to establish a maximum travel amount for the year and to account for these expenses within a separate account in the budget to ensure that the maximum is not exceeded. The regulations also require that all travel be approved by the Board prior to the event and that the approval list the event, total event cost and the individuals attending. Employees and board members attending an event are then required to complete a post event report to be submitted to a designated person within the District. Overall compliance was noted.

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).

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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.

SDA Grant Receivables

During our review of SDA grant receivables, it was noted that there are several open projects with large grant receivable balances in the Capital Projects Fund. It is suggested that the District review the status of grant expenditures and submit all of the required project cost documentation to the Schools Development Authority for reimbursement.

Status of Prior Year's Findings/Recommendations

There were no prior year findings or recommendations.

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

NUMBER OF MEALS SERVED AND (OVER)/UNDER CLAIM – FEDERAL

<u>Program</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/Under Claim</u>
National School Lunch:						
Seamless Summer Option	83,815	28,715	28,672	(43)	\$ 3.51	\$ (151)
HHFKA	83,815	28,715	28,672	(43)	\$ 0.07	(3)
School Breakfast:						
Seamless Summer Option (Severe Needs Rate)	<u>81,237</u>	<u>27,162</u>	<u>27,080</u>	(82)	\$ 2.26	<u>(185)</u>
Total	<u>81,237</u>	<u>27,162</u>	<u>27,080</u>			<u>(185)</u>
Total Net Overclaim						<u>\$ (339)</u>

HACKETTSTOWN SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL COMPLIANCE AND PERFORMANCE
SCHEDULE OF NET CASH RESOURCES
FOOD SERVICE FUND
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Net Cash Resources:

CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 9,463
B-4		Due from Other Gov'ts	75,449
B-4		Accounts Receivable	22,255
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(43,807)
B-4		Less Deferred Revenue	(16,505)
			(60,312)
		Net Cash Resources	\$ 46,855 (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	\$ 501,504
B-5	Less Depreciation	(33,800)
		(33,800)
	Adj. Tot. Oper. Exp.	\$ 467,704 (B)

Average Monthly Operating Expense:

B / 10	\$ 46,770 (C)
--------	---------------

Three times monthly Average:

3 X C	\$ 140,311 (D)
-------	----------------

TOTAL IN BOX A	\$ 46,855	(A)
LESS TOTAL IN BOX D	140,311	(D)
NET	\$ (93,456)	
From above:		
A is greater than D, cash exceeds 3 X average monthly operating expenses		
D is greater than A, cash does not exceed 3 X average monthly operating expenses		
* Inventories are not to be included in total current assets		

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

		2021-2022 Application for State School Aid						Sample for Verification					
Reported on		Reported on		Errors		Sample		Verified per		Errors per			
A.S.A.		Workpapers		Full		Workpapers		Registers		Registers			
On Roll		On Roll		Full		Shared		On Roll		On Roll			
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared		
Full Day Preschool 3 Years Old	7	7				7			7				
Full Day Preschool 4 Years Old	10	10				10			10				
Full Day Kindergarten	100	100				100			100				
Grade One	128	128				128			128				
Grade Two	111	111				111			111				
Grade Three	92	92				92			92				
Grade Four	92	92				92			92				
Grade Five	97	97				97			97				
Grade Six	100	100				100			100				
Grade Seven	91	91				91			91				
Grade Eight	78	78				78			78				
Grade Nine	202	202				202			202				
Grade Ten	195	195				195			195				
Grade Eleven	170	170				170			170				
Grade Twelve	164	164				164			164				
Subtotal	1,637	1,637				1,637			1,637				
Special Education:													
Elementary	116	116				9			9				
Middle School	68	68				5			5				
High School	134	134				11			11				
Subtotal	318	318				25			25				
Totals	1,955	1,955				1,662			1,662				
Percentage Error													
				0.00%					0.00%				

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

	Private Schools for Disabled				Resident Low Income				
	Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten									
Grade One					34	34	1	1	
Grade Two					55	55	2	2	
Grade Three					51	51	2	2	
Grade Four					38	38	2	2	
Grade Five					23	23	1	1	
Grade Six					33	33	2	2	
Grade Seven					32	32	1	1	
Grade Eight					22	22	1	1	
Grade Nine					25	25	1	1	
Grade Ten					32	32	2	2	
Grade Eleven					28	28	2	2	
Grade Twelve					15	15	1	1	
Subtotal					408	408	19	19	
Special Education:									
Elementary					56	56	2	2	
Middle School	3	1	1		37	37	2	2	
High School	6	2	2		25	25	2	2	
Subtotal	9	3	3		118	118	6	6	
Totals	9	3	3		526	526	25	25	
Percentage Error					0.00%	0.00%	0.00%	0.00%	

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

	Resident LEP Low Income					
	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Full Day Kindergarten	14	14		1	1	
Grade One	27	27		3	3	
Grade Two	29	29		3	3	
Grade Three	15	15		1	1	
Grade Four	8	8		1	1	
Grade Five	7	7				
Grade Six	7	7		1	1	
Grade Seven	3	3				
Grade Eight	7	7		1	1	
Grade Nine	9	9		1	1	
Grade Ten	11	11		1	1	
Grade Eleven	2	2				
Grade Twelve	2	2				
Subtotal	141	141		13	13	
Special Ed - Elementary	8	8		1	1	
Special Ed - Middle School	2	2				
Special Ed - High School	2	2		1	1	
Subtotal	12	12		2	2	
Totals	153	153		15	15	
			0.00%			0.00%

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

	Resident LEP Not Low Income					
	Reported on A.S.A. 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
Full Day Kindergarten	12	12		2	2	
Grade One	6	6		1	1	
Grade Two	5	5		1	1	
Grade Four	1	1				
Grade Five	1	1				
Grade Six	1	1				
Grade Seven	1	1				
Grade Nine	3	3		1	1	
Grade Ten	2	2				
Grade Eleven	1	1				
Grade Twelve	3	3		1	1	
Subtotal	36	36		6	6	
Special Ed - Elementary	2	2		1	1	
Subtotal	2	2		1	1	
Totals	38	38		7	7	
Percentage Error			0.00%			0.00%

HACKETTSTOWN SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
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	86	86		14	14	
Regular - Special Education	13	13		1	1	
AIL - Non Public	18	18		3	3	
Special Needs - Public	31	31		5	5	
Special Needs - Private	8	8		2	2	
Totals	<u>156</u>	<u>156</u>		<u>25</u>	<u>25</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	4.9	4.9
Average Mileage - Regular Excluding Grade PK Students	4.9	4.9
Average Mileage - Special Education with Special Needs	8.5	8.5

HACKETTSTOWN SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

REGULAR DISTRICT

SECTION 1

4% Calculation of Excess Surplus

2020-2021 Total General Fund Expenditures per the CAFR	<u>\$ 37,458,556</u> (B)
Increased by:	
Transfer to Food Service Fund	<u>\$ -0-</u> (B1a)
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1b)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ 334,480</u> (B1c)
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>\$ 6,463,015</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ -0-</u> (B2b)
Adjusted 2020-2021 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 31,330,021</u> (B3)
4% of Adjusted 2020-2021 General Fund Expenditures [(B3) times .04]	<u>\$ 1,253,200</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 1,253,200</u> (B5)
Increased by: Allowable Adjustment	<u>\$ 81,338</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	<u>\$ 1,334,538</u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/2021 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 4,158,561</u> (C)
Decreased by:	
Year-End Encumbrances	<u>\$ 936,719</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C3)
Other Restricted Fund Balances	<u>\$ 1,734,859</u> (C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 152,445</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 1,334,538</u> (U1)

HACKETTSTOWN SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Section 3

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

Recapitulation of Excess Surplus as of June 30, 2021

Excess Surplus - Designated for Subsequent Year's Expenditures \$ -0- (C3)

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

Total [(C3)+(E)] \$ -0- (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

Sale and Lease Back \$ -0- (I)

Extraordinary Aid \$ 75,828 (J1)

Additional Nonpublic School Transportation Aid \$ 5,510 (J2)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)] \$ 81,338 (K)

Detail of Other Restricted Fund Balance

Statutory Restrictions:

Approved Unspent Separate Proposal \$ -0-

Capital Outlay for a District with a Capital Outlay SGLA \$ -0-

Sale/Lease-Back Reserve \$ -0-

Capital Reserve \$ 1,094,168

Maintenance Reserve \$ 581,250

Tuition Reserve \$ -0-

Unemployment Compensation \$ 59,441

Other State/Governmental Mandated Reserve \$ -0-

Emergency Reserve \$ -0-

Total Other Restricted Fund Balance \$ 1,734,859

HACKETTSTOWN SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
3. School Purchasing Program
None
4. School Food Service
None
5. Student Body Activities
None
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Miscellaneous
None
10. Status of Prior Year's Findings/Recommendations
None