# JAMESBURG PUBLIC SCHOOL DISTRICT AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS, FINANCIAL, COMPLIANCE AND PERFORMANCE For the Fiscal Year Ended June 30, 2021

# JAMESBURG PUBLIC SCHOOL DISTRICT

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Federal Identification Number 22-6002048



# **Independent Auditors' Report**

Honorable President and Members of the Board of Education Jamesburg Public School District County of Middlesex, 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 Jamesburg Public School District in the County of Middlesex for the fiscal year ended June 30, 2021, and have issued our report thereon dated March 10, 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 Jamesburg Public 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.

Sincerely,

BAC, CAAS, PC

BKC, CPAs, PC

MU Michael A. Holk, CPA, PSA NO. 20CS00265600

March 10, 2022 Flemington, New Jersey

# Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Monies, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

#### Administrative Practices and Procedures

#### Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the School District Annual Comprehensive Financial Report (ACFR). Adequacy of insurance coverage is the responsibility of the Board of Education.

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

Surety bond coverage in force during the period was:

Name of Employee	Position	I	Amount
Nick Mackres	Business Administrator (7/1/20-7/31/20)	\$	250,000
Gregory Brennan	Interim Business Administrator (8/1/20-2/15/21)		250,000
Atilla Sabahoglu	Business Administrator (3/8/21-6/30/21)		250,000
Scott Frueh	Treasurer of School Monies		200,000

The Treasurer of School Monies was bonded in a surety bond in accordance with provisions of Title 18A:17-32 within minimum limits of the schedule promulgated by the New Jersey State Board of Education.

#### Financial Planning, Accounting and Reporting

#### Examination of Claims

Finding 2021-003

Vendor certification signatures and receiving signatures certifying goods or services were received to the District were at times not evident on payment forms.

#### Recommendation

Vendor certification signatures and receiving signatures certifying goods or services were received are to be evident on all applicable payment forms.

# 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 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 amounts withheld due to the general fund.

#### Employee Position Control Roster

A review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records (e.g., pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

#### Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered, 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 evaluated 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.

An examination of classification of expenditures during the period under review did not indicate any material discrepancies with respect to proper classification.

#### Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary did disclose material exceptions.

#### Finding 2021-002

An examination of deposits during the period under review indicated discrepancies with respect to timeliness of deposits. Cash receipt accounting entries and their classification were not timely and accurate.

## Board Secretary's Records (continued)

#### Recommendation

Receipts of checks and cash should be deposited promptly to the bank, recorded timely, and classified correctly.

## Treasurer's Records

Our review of the records of the Treasurer of School Monies did disclose exceptions.

# Finding 2021-001

Bank reconciliations, Board Secretary's reports and the Treasurer's reports were not in agreement prior to submission to the Board for approval.

#### Recommendation

The Treasurer should reconcile the cash records with bank statements and the cash records of the Board Secretary in a timely manner. Bank reconciliations, Board Secretary's reports and the Treasurer's reports should all be in agreement prior to submission to the Board for approval.

# Elementary and Secondary Education Act (E.S.E.A.) as amended by Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI 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 ACFR.

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 ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

#### Finding 2021-005

Local and state financial assistance was not recorded properly in the accounting system.

#### Recommendation

Local and state financial assistance should be recorded accurately.

# TPAF Reimbursement

Our audit procedures included a test of the reimbursements 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

No reimbursement is due to the state to reimburse for the TPAF/FICA payments made by the state onbehalf of the District. The District had no employees with applicable salaries identified as being paid from federal funds.

# Nonpublic State Aid

The District did not receive any Nonpublic State Aid during the Fiscal Year 2021.

# 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 therefor, 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 possesses a qualified purchasing agent certificate 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 \$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 the 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.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."

#### <u>School Purchasing Programs (continued)</u> Contracts and Agreements Requiring Advertisement for Bids (continued)

N.J.S.A. 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 therefor, 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.

In accordance with N.J.S.A. 18A:18A-3A and N.J.A.C. 5:34-5 et. seq. the Board of Education has appointed a "Qualified Purchasing Agent" which allows the Board of Education to increase the bid threshold and to grant the authorization to negotiate contracts below the bid threshold.

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.

Our examination of the minutes indicated that contracts were awarded for the following:

Transportation	Occupational therapy services	Nursing services
Technology services	Food services management	

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. Expenditures were reviewed, however, to determine whether any clear-cut violations existed.

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 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.

Our examination indicated the following purchases were made using state contracts:

Maintenance services

Technology equipment & supplies

#### <u>School Purchasing Programs (continued)</u> Contracts and Agreements Requiring Advertisement for Bids (continued)

Purchases were also made through cooperative agreements for the following:

Technology equipment & supplies Floor replacement projects Copiers

Finding 2021-004

Political contribution disclosure forms were not obtained for all contracts in excess of \$17,500 that were not awarded pursuant to a fair and open process.

#### Recommendation

The District should obtain political contribution disclosure for all contracts in excess of \$17,500 that are not awarded pursuant to a "fair and open" process (N.J.S.A. 19:44A-20.7).

# Unemployment Compensation Insurance Fund

The Board has adopted the direct reimbursement method and has established an unemployment compensation insurance fund.

#### 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, the District was required to institute alternate procedures to provide meals to students during the period of school closures.

During the year ended June 30, 2021, the public health emergency was still applicable. As a result, the District was 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.

Therefore, the District was 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 District was 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.

The District was 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 students during the emergency.

## School Food Service (continued)

We inquired of management about the public health emergency procedures/practices that the District 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 costs applicable to the emergency operations.

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.

The District utilizes a 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 Fixed Price or Non-Competitive Emergency Procurement contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will breakeven. 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.

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.

The District 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 a loan in accordance with the Payroll Protection Plan (PPP).

Net cash resources did not exceed three months average expenditures.

The number of meals claimed for reimbursement was compared to sales and meal count records. Reimbursement claims were submitted/certified in a timely manner.

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 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 and free milk policy was reviewed for uniform administration throughout the school system. 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 completed and available for review.

#### School Food Service (continued)

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

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

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

Exhibits reflecting Child Nutrition Program operations are included in the section titled proprietary funds, Section B of the ACFR.

#### Student Body Activities

Our review of the records of the student activity funds did disclose exceptions.

#### Finding 2021-002

An examination of deposits during the period under review indicated discrepancies with respect to timeliness of deposits. Cash receipt accounting entries and their classification were not timely and accurate.

Recommendation

Receipts of checks and cash should be deposited promptly to the bank, recorded timely, and classified correctly.

#### Application for State School Aid

We evaluated the information reported in the October 15, 2020 Application for State School Aid (ASSA) for onroll, 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 ASSA was compared to the District workpapers. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained work papers on the prescribed state forms or their equivalent.

The District's written procedures appear to be adequate for the recording of student enrollment data.

Finding 2021-006 Our comparison of registers provided for the ASSA were not in agreement with the amounts reported.

#### Recommendation

The District should verify that registers prepared in connection with the ASSA report are in agreement with amounts reported.

# Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2020-21 District Report of Transported Resident Students (DRTRS). The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

#### Facilities and Capital Assets

Our review of facilities and capital assets did not disclose any exceptions.

#### 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).

#### Miscellaneous

Finding 2021-007 The District did not have a board approved and implemented policy and procedures regarding electronic payment processing, as required by N.J.S.A. 40A:5-16.5 and N.J.S.A. 5:30-9A.

#### Recommendation

Required policies and procedures should be approved and implemented for electronic payment processing that complies with N.J.S.A. 40A:5-16.5 and N.J.S.A. 5:30-9A.

#### Follow-up on Prior Year Findings

Not Applicable

# JAMESBURG PUBLIC SCHOOL DISTRICT Net Cash Resource Schedule

#### Net cash resources did not exceed three months of expenditures Proprietary Funds - Food Service For the Fiscal Year Ending June 30, 2021

Net Cash Resources		S	Food Services Fund	
ACFR Schedule B-4 B-4	Current assets Cash & cash equivalents Accounts receivable	\$	17,218 96,083	
B-4 B-4 B-4	Current liabilities: Less: accounts payable Less: deferred revenue Less: due to other funds		(7,726) (3,281) (8,417)	
	Net cash resources	\$	102,294	(A)
	Net cash resources did not exceed three months of expenditures			
Net Adjusted Total Operation	ing Expenses			
B-5 B-5	Total operating expenses Less: depreciation	\$	354,281 (5,256)	
	Net adjusted total operating expenses	\$	349,025	(B)
Average Monthly Operatin	g Expense			
	(B) / 10	\$	34,903	(C)
Three Months of Average	Monthly Operating Expense			
	(C) X 3	\$	104,709	(D)
Net cash resources Three months of average n Excess cash resources	nonthly operating expense	\$ \$	102,294 104,709 (2,415)	(A) (D)
From above				
	xceeds three months of average monthly operating expenses. oes not exceed three months of average monthly operating expenses			

Net cash resources did not exceed three months of expenditures.

# JAMESBURG PUBLIC 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					Private Schools for Disabled					
	Repo	orted on SSA nroll	Repo Worl	Reported on Workpapers Onroll Errors		Selec	mple ted from kpapers	Veri Reg O	Verified per Registers Onroll		ors per gisters nroll	on ASSA as Private	Sample for Verifi-	Sample		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	cation	Verified	Errors
Half day preschool age 3															_	_
Full day preschool age 3	27		21		6		3		3							
Half day preschool age 4	21		21		0		5		5							
Full day preschool age 4	43	-	34	_	9	_	-	-	4	-	-	-	_	-	-	-
Half day kindergarten	-		54		,	-	-	_	-	-	_		-	-	-	-
Full day kindergarten	50		42		8	-	6	_	6	-	_		-	-	-	-
One	44		53		(9)	-	25	_	25	-	_		-	-	-	-
Two	52	-	49	_	3	_	26	-	26	-	-	-	_	-	-	-
Three	58	-	52	-	6	-	20	-	20 24	-	-	-	-	-	-	-
Four	59	-	56	-	3	-	18	-	18	-	-	-	-	-	-	-
Five	62	-	56	_	6	_	13	-	12	-	-	-	_	-	-	-
Six	48	-	48	-	0	-	12	-	12	-	-	-	-	-	-	-
Seven	62		62		-	-	17	_	13	-	_		-	-	-	-
Eight	54		53		1		15		15							
Nine	54	-	55	_	1	_	15	-	15	-	-	-	_	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-		-		-	-	-	_	_	-	_		-	-	-	-
Post - graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (15+CR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (1-14CR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	559	<u> </u>	526	<u> </u>	33		163		163			<u> </u>				
Subtotal	559		520		33		105		105		-			-		-
Special education - elementary	68	-	62	-	6	-	24	-	24	-	-	-	1	1	1	-
Special education - middle	29	-	31	-	(2)	-	10	-	10	-	-	-	-	-	-	-
Special education - high school	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	-
Subtotal	97		93		4		34	-	34		-	-	2	2	2	-
County vocational - regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County vocational - full-time post sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	656	-	619	-	37	-	197	-	197	-	-	-	2	2	2	-
Percentage error					5.64%	0.00%					0.00%	0.00%			:	0.00%

# JAMESBURG PUBLIC SCHOOL DISTRICT Application for State School Aid Summary Schedule of Audited Enrollments - Enrollment as of October 15, 2020 (continued)

	Resident Low Income			Sampl	e for Verificat	ion		nt LEP Low Inco	Sample for Verification			
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score & Register	
Half day preschool age 3	-	-	-	-	-	-	-	-	-			-
Full day preschool age 3	5	5	-	3	3	-	-	-	-	-	-	-
Half day preschool age 4	-	-	-	-	-	-	-	-	-	-	-	-
Full day preschool age 4	22	11	11	6	6	-	-	-	-	-	-	-
Half day kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full day kindergarten	30	22	8	11	11	-	-	-	-	-	-	-
One	22	20	2	10	10	-	14	10	4	5	5	-
Two	35	21	14	11	11	-	21	12	9	11	11	-
Three	36	29	7	14	14	-	25	12	13	11	11	-
Four	28	19	9	11	11	-	12	20	(8)	15	15	-
Five	36	26	10	13	13	-	16	8	8	6	6	-
Six	29	18	11	10	10	-	1	1	-	1	1	-
Seven	35	25	10	13	13	-	4	4	-	3	3	-
Eight	30	18	12	9	9	-	7	7	-	6	6	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-
Post - graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (15+CR)	-	-	-	-	-	-	-	-	-	-	-	-
Adult HS (1-14CR)	-	-	-	-		-	-	-	-	-		-
Subtotal	308	214	94	111	111	-	100	74	26	58	58	-
Special education - elementary	45	24	21	13	13	-	11	7	4	4	4	-
Special education - middle	19	13	6	7	7	-	3	3	-	1	1	-
Special education - high school	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	64	37	27	20	20	-	14	10	4	5	5	-
County vocational - regular Cty vocational - f/t post sec.	-	-	-	-	-	-	-	-	-	-	-	-
Total	372	251	121	131	131		114	84	30	63	63	
Percentage error			32.53%			0.00%			26.32%			0.00%

# JAMESBURG PUBLIC SCHOOL DISTRICT Application for State School Aid Summary Schedule of Audited Enrollments - Enrollment as of October 15, 2020 (continued)

	Resider	nt LEP Not Low I	ncome	Sample for Verification			
	Reported	Reported on		Sample			
	on ASSA	Workpapers		Selected	Verified to		
	as Not Low	as Not Low		from	Application	Sample	
	Income	Income	Errors	Workpapers	& Register	Errors	
One	3	2	1	1	1	-	
Two	3	8	(5)	3	3	-	
Three	4	10	(6)	6	6	-	
Four	3	7	(4)	4	4	-	
Five	1	8	(7)	5	5	-	
Six	1	1	-	1	1	-	
Seven	1	1	-	1	1	-	
Special education - elementary	-	4	(4)	1	1	-	
Total	16	41	(25)	22	22	-	
Percentage error			-156.25%			0.00%	
			Transpo	ortation	=		
	Reported on DRTRS by	Reported on DRTRS		<b>T</b> 1		Sample	
	DOE/County	by District	Errors	Tested	Verified	Errors	
Regular & special education without special needs in-district	2	0		_	_		
Public	8	8	-	5	5	-	
Vocational	26	26	-	17	17	-	
Aid-in-lieu charter school	9	9	-	6	6	-	
Aid-in-lieu non-public	40	40	-	32	32	-	
Special education public	1	1	-	1	1	-	
Special education with special needs & out of district							
special education without special needs							
Public with special needs	5	5	-	5	5	-	
Private school disabled with special needs	2	2	-	2	2	-	
Out of district public without special needs	3	3	-	3	2	1	
Out of district private school disabled without special needs	2	2		2	2		
Total	96	96	-	73	72	1	
Percentage error			0.00%		=	1.37%	

# JAMESBURG PUBLIC SCHOOL DISTRICT Excess Surplus Calculation

#### **SECTION 1**

4% Calculation of Excess Surplus		
2020 - 2021 Total General Fund Expenditures per the ACFR, Exhibit C-1	\$ 16,327,455	(B)
Increased by:		
Transfer from capital outlay to capital projects fund		(B1b)
Transfer from capital reserve to capital projects fund		(Blc)
Transfer from capital reserve to debt service fund Decreased by:	-	(B1d)
On-Behalf TPAF Pension & Social Security	2,086,997	(B2a)
Assets acquired under capital leases		(B2b)
		(220)
Adjusted 2020-2021 general fund expenditures [(B)+(B1s)-(B2s)]	\$ 14,240,458	(B3)
4% of Adjusted 2020-2021 general fund expenditures [(B3) Times .02]	\$ 569,618	(B4)
Enter Greater of (B4) or \$250,000		(B5)
Increased by: Allowable adjustment	173,565	(K)
Maximum unreserved/undesignated fund balance [(B5)+(K)]		\$ 743,183 (M)
Maximum unreserved/undesignated fund balance [(B5)+(K)] SECTION 2		<u>\$ 743,183</u> (M)
		<u>\$ 743,183</u> (M)
SECTION 2	\$ 4,172,371	<u>\$ 743,183</u> (M) (C)
SECTION 2 Total general fund-fund balances @ June 30, 2021 (Per ACFR Budgetary comparison schedule C-1) Decreased by:		(C)
SECTION 2 Total general fund-fund balances @ June 30, 2021 (Per ACFR Budgetary comparison schedule C-1) Decreased by: Year-end encumbrances		(C) (C1)
SECTION 2 Total general fund-fund balances @ June 30, 2021 (Per ACFR Budgetary comparison schedule C-1) Decreased by: Year-end encumbrances Legally restricted - designated for subsequent year's expenditures		(C)
SECTION 2 Total general fund-fund balances @ June 30, 2021 (Per ACFR Budgetary comparison schedule C-1) Decreased by: Year-end encumbrances Legally restricted - designated for subsequent year's expenditures Legally restricted - excess surplus - designated for subsequent year's	9,622	(C) (C1) (C2)
SECTION 2 Total general fund-fund balances @ June 30, 2021 (Per ACFR Budgetary comparison schedule C-1) Decreased by: Year-end encumbrances Legally restricted - designated for subsequent year's expenditures Legally restricted - excess surplus - designated for subsequent year's Expenditures	9,622 - 746,426	(C) (C1) (C2) (C3)
SECTION 2 Total general fund-fund balances @ June 30, 2021 (Per ACFR Budgetary comparison schedule C-1) Decreased by: Year-end encumbrances Legally restricted - designated for subsequent year's expenditures Legally restricted - excess surplus - designated for subsequent year's Expenditures Other restricted fund balances	9,622	(C) (C1) (C2)
SECTION 2 Total general fund-fund balances @ June 30, 2021 (Per ACFR Budgetary comparison schedule C-1) Decreased by: Year-end encumbrances Legally restricted - designated for subsequent year's expenditures Legally restricted - excess surplus - designated for subsequent year's Expenditures Other restricted fund balances Assigned fund balance - designated for subsequent year's	9,622 746,426 2,521,006	(C) (C1) (C2) (C3) (C4)
SECTION 2 Total general fund-fund balances @ June 30, 2021 (Per ACFR Budgetary comparison schedule C-1) Decreased by: Year-end encumbrances Legally restricted - designated for subsequent year's expenditures Legally restricted - excess surplus - designated for subsequent year's Expenditures Other restricted fund balances	9,622 - 746,426	(C) (C1) (C2) (C3) (C4)
SECTION 2 Total general fund-fund balances @ June 30, 2021 (Per ACFR Budgetary comparison schedule C-1) Decreased by: Year-end encumbrances Legally restricted - designated for subsequent year's expenditures Legally restricted - excess surplus - designated for subsequent year's Expenditures Other restricted fund balances Assigned fund balance - designated for subsequent year's	9,622 746,426 2,521,006	(C) (C1) (C2) (C3) (C4)

# JAMESBURG PUBLIC SCHOOL DISTRICT Excess Surplus Calculation (continued)

#### **SECTION 3**

Restricted fund balance - Excess Surplus [(U)-(M)] if negative enter -0-				\$ -	(E)
Recapitulation of Excess Surplus as of June 30, 2021	_				
Restricted excess surplus - designated for subsequent year's expenditures Restricted excess surplus				\$ 746,426	(C3) (E)
Total $[(C3) + (E)]$				\$ 746,426	(D)
<u>Detail of Allowable Adjustments</u> Impact aid Sale and lease back Extraordinary aid Additional nonpublic transportation aid	\$	- 161,965 11,600	(H) (I) (J1) (J2)		
Total adjustments	\$	173,565	(K)		
Detail of Other Restricted Fund Balance Approved unspent separate proposal Unspent capital outlay SGLA Sale/Lease - back reserve Capital reserve Maintenance reserve Emergency reserve Tuition reserve Unemployment claims Other reserves Other state/government mandated reserve	\$	2,191,956 205,815 123,235			
Total other restricted fund balance	\$	2,521,006	(C4)		

BHC, CAAS, PC

BKC, CPAs, PC M M Michael A. Holk, CPA, PSA NO. 20CS00265600

\* \* \* \* \* \* \* \* \* \*

Acknowledgment

The foregoing conditions were considered in determining the nature, timing and extent of the audit tests to be applied in our examination of the financial statements, and this report of such conditions does not modify our report dated March 10, 2022.

Should any questions arise as to our comments, please do not hesitate to contact us.

We desire to express our appreciation for the assistance and courtesies rendered by the school officials and employees during the course of the examination.

BHC, CAAS, PC BKC, CPAS, PC

MU Michael A. Holk, CPA, PSA No. 20CS00265600

# Recommendations:

# 1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

# 2021-001

The Treasurer should reconcile the cash records with bank statements and the cash records of the Board Secretary in a timely manner. Bank reconciliations, Board Secretary's reports and the Treasurer's reports should all be in agreement prior to submission to the Board for approval.

# 2021-002

Receipts of checks and cash should be deposited promptly to the bank, recorded timely, and classified accurately.

# 2021-003

Vendor certification signatures and receiving signatures certifying goods or services were received are to be evident on all applicable payment forms.

#### 2021-004

The District should obtain political contribution disclosure forms for all contracts in excess of \$17,500 that are not awarded pursuant to a "fair and open" process (N.J.S.A. 19:44A-20.7).

# 2021-005

Local and state financial assistance should be recorded accurately.

3. <u>School Purchasing Programs</u>

None

4. School Food Service

None

5. Student Body Activities

#### 2021-002

Receipts of checks and cash should be deposited promptly to the bank, recorded timely, and classified accurately.

# 6. Application for State School Aid

# 2021-006

The District should verify that registers prepared in connection with the ASSA report are in agreement with amounts reported.

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

2021-007

Required policies and procedures should be approved and implemented for electronic payment processing that complies with N.J.S.A. 40A:5-16.5 and N.J.S.A. 5:30-9A.

10. Status of Prior Year Audit Findings/Recommendations

There were no prior year audit findings/recommendations.