

Auditor's Management Report

for the

*Borough of Keyport
School District*

in the

*County of Monmouth
New Jersey*

for the

*Fiscal Year Ended
June 30, 2021*

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL AND COMPLIANCE**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Scope of Audit	2
Administrative Practices and Procedures	
Insurance	2
Official Bonds	2
Tuition Charges	2
Financial Planning, Accounting and Reporting	
Examination of Claims	2
Payroll Accounts	2
Position Control Roster	3
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures	3
Board Secretary's Records	3
Treasurer's Records	3
Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA)	3
Other Special Federal and/or State Projects	4
T.P.A.F. Reimbursement	4
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	4-6
School Food Service	6-7
Student Body Activities	7
Application for State School Aid	8
Pupil Transportation	8
Facilities and Capital Assets	8
Testing for Lead of All Drinking Water in Educational Facilities	8
Follow-Up on Prior Year's Audit Finding	8
Recommendations	9
Schedule of Meal Count Activity	N/A
Net Cash Resources	10
Application for State School Aid Summary Enrollment	11-13
Excess Surplus Calculation	14-15



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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Borough of Keyport
335 Broad Street
County of Monmouth
Keyport, New Jersey 07735

We have audited, in accordance with U.S. generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Borough of Keyport School District in the County of Monmouth for the year ended June 30, 2021 and have issued our report dated February 3, 2022.

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

This report is intended solely for the information of the Borough of Keyport School District, County of Monmouth, New Jersey, the New Jersey Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

February 3, 2022

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS – FINANCIAL AND COMPLIANCE**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the activities of the Borough of Keyport - Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Insurance coverage was carried in the amounts as detailed in the District's CAFR. (See Exhibit J-20)

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount of Bonds</u>
Anthony Rapolla	Business Administrator/Board Secretary	\$225,000.00
All Employees	All Employee Faithful Position Bond	500,000.00

Adequacy of insurance coverage is the responsibility of the Board of Education.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs differed from the estimated costs. The Board made a proper adjustment to the billings to sending Districts for the difference in per pupil costs in accordance with N.J.A.C. 6A-23A-17.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

Our audit of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certifications or supporting documentation.

Payroll Accounts

The net salaries of all employees of the Board were deposited in the Net 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 and the Board Secretary/Business Administrator.

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

AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS – FINANCIAL AND COMPLIANCE

Position Control Roster

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

Reserve for Encumbrances and Accounts Payable

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

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-16.2(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. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

The records maintained by the Board Secretary were in agreement with the Superintendent's cash report.

Treasurer's Records

The position of the Treasurer of School Monies was abolished in April 2013. The responsibility was transferred to the Superintendent's office. The Superintendent's cash report was in agreement with the records maintained by the Board Secretary/Business Administrator.

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

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I through VI of the Elementary and Secondary Education Act as amended and reauthorized.

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.

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS – FINANCIAL AND COMPLIANCE**

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.

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 reimbursement filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

The amount of the expenditure charged to the current year's Final Report(s) 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 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement. No exceptions were noted.

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 \$29,000.00, 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 is qualified pursuant to subsection b of section 9 of P.L. 1971 c. 198 (C.40A:11-9) the board of education may establish that the bid threshold may be up to \$44,000.00. 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.

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS – FINANCIAL AND COMPLIANCE**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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 \$1,000.00. 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 every year in which it is made. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.A. 18A:18A-5 may be awarded for a period not exceeding 12 consecutive months."

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 therefor, except as is provided otherwise in this chapter or specifically by any other law.

The board of education may, by resolution approve by the majority of the board of education and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the board of education finds that it has had negative prior experience with the bidder."

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 18A:18A-3(a) and (c) is \$32,000.00. In accordance with N.J.S.A. 40A:11-9 (b) the bid threshold for all purchases made by the District's qualified purchasing agent is \$44,000.00. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18:39-3 is currently \$19,600.00.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal 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.

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 provisions of N.J.S.A. 18A:18A-4, amended.

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS – FINANCIAL AND COMPLIANCE**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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

The system of records did not provide for an accumulation of purchases for which the School Board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our audit did reveal however, that the District did make purchases under State contracts and cooperative purchasing agreements.

School Food Service

PUBLIC HEALTH EMERGENCY

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency, all Public, Charter and 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 (SFAs) were required to institute alternate procedures to provide meals to eligible students during the period of school closures.

During 2020-2021 the public health emergency was still applicable. As a result, 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.

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.

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 SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct or indirect costs. No exceptions were noted.

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS – FINANCIAL AND COMPLIANCE**

School Food Service (Continued)

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; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the payroll protection plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

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 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 return an operating profit of at least \$10,000.00. The operating 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 Statement of Revenues, Expenses and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

The school district maintains 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 entitled Enterprise Funds, Section G.

2021-01 Finding: Net cash resources exceeded three months average expenditures.

2021-01 Recommendation: Appropriate action be taken to ensure that net cash resources of the Food Service Fund do not exceed (3) months average expenditures.

Student Body Activities

The records for the Student Body Activities were maintained in satisfactory condition.

AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS – FINANCIAL AND COMPLIANCE

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, 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 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 had written procedures for the recording of student enrollment.

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. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account and awarding of contracts for eligible facilities construction.

Testing for Lead of All Drinking Water in Educational Facilities

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

Follow-Up Prior Year's Audit Findings

In accordance with Government Auditing Standards, our procedures included a review of the prior year audit recommendations. There were no prior year audit findings.

**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS – FINANCIAL AND COMPLIANCE**

Recommendations

Administrative Practices and Procedures

None

Financial Planning, Accounting and Reporting

None

School Purchasing Program

None

School Food Service

2021-01 Recommendation: Appropriate action be taken to ensure that net cash resources of the Food Service Fund do not exceed (3) months average expenditures.

Student Body Activities

None

Application for State School Aid

None

Pupil Transportation

None

Facilities and Capital Assets

None

Prior Year's Findings/Recommendations

None

**BOROUGH OF KEYPORT SCHOOL DISTRICT
NET CASH RESOURCE SCHEDULE - FOOD SERVICE
2020-2021**

<u>Net Cash Resources:</u>		Food Service B - 4/5
CAFR	*	
		Current Assets
B-4		Cash & Cash Equiv. \$130,134.04
B-4		Due from Other Gov'ts 57,100.17
B-4		Accounts Receivable 5,980.69
B-4		Prepaid Expenses
		Current Liabilities
B-4		Less Accounts Payable (46,562.56)
B-4		Less Accruals
B-4		Less Due to Other Funds (3.00)
B-4		Less Unearned Revenue (8,895.77)
		Net Cash Resources
		<u><u>\$137,753.57 (A)</u></u>
 <u>Net Adj. Total Operating Expense:</u>		
B-5		Tot. Operating Exp. \$340,562.86
B-5		Less Depreciation (6,704.00)
		Adj. Tot. Oper. Exp.
		<u><u>\$333,858.86 (B)</u></u>
 <u>Average Monthly Operating Expense:</u>		
	B / 10	<u><u>\$33,385.89 (C)</u></u>
 <u>Three times monthly Average:</u>		
	3 X C	<u><u>\$100,157.66 (D)</u></u>

TOTAL IN BOX A	<u>\$137,753.57</u>
LESS TOTAL IN BOX D	<u>(\$100,157.66)</u>
NET	<u>\$37,595.91</u>

**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.

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

	2021-22 Application for State School Aid						Sample for Verification				Private School for Handicapped						
	Reported on A.S.S.A. as on Roll		Reported on Workpapers on Roll		Errors		Sample Selected from Workpapers		Verified per Registers on Roll		Errors per Registers on Roll		Reported on A.S.S.A. as Private Schools		Sample for Verification		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Half Day PreK	1		1		0		1		1		0						
Full Day PreK	30		30		0		9		9		0						
Full Day Kindergarten	43		43		0		9		9		0						
One	53		53		0		11		11		0						
Two	53		53		0		12		12		0						
Three	65		65		0		10		10		0						
Four	46		46		0		12		12		0						
Five	59		59		0		11		11		0						
Six	48		48		0		14		14		0						
Seven	68		68		0		11		11		0						
Eight	62		62		0		9		9		0						
Nine	69		69	0	0	0	13		13		0						
Ten	64		64	0	0	0	12		12		0						
Eleven	61	10	61	10	0	0	10	3	10	3	0	0	0	0	0	0	0
Twelve	61	17	61	17	0	0	12	2	12	2	0	0	0	0	0	0	0
Subtotal	783	27	783	27	0	0	156	5	156	5	0	0	0	0	0	0	0
SpEd Elementary	50		50		0		26		26		0		2	2	2	2	0
SpEd Middle School	25		25	0	0	0	21		21		0	0	3	3	3	3	0
SpEd High School	49	17	49	17	0	0	38	9	38	9	0	0	5.5	5	5	5	0
Subtotal	124	17	124	17	0	0	85	9	85	9	0	0	10.5	10	10	10	0
Totals	907	44	907	44	0	0	241	14	241	14	0	0	10.5	10	10	10	0
Percentage					0.00%	0.00%					0.00%	0.00%					0.00%

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

	Reported on A.S.A. as Low Income		Reported on Workpapers as Low Income		Sample Selected from Workpapers		Sample for Verification		Reported on A.S.A. as Low Income		Reported on Workpapers as Low Income		Sample Selected from Workpapers		Sample for Verification			
	Income	Workpapers as Low Income	Income	Workpapers as Low Income	Workpapers	Errors	Register	Application	Income	Workpapers as Low Income	Income	Workpapers as Low Income	Workpapers	Errors	Register	Application	Errors	
Full Day PreK	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Full Day Kindergarten	23	23	0	12	12	0	12	0	5	5	0	4	4	4	4	0	0	
One	25	25	0	13	13	0	13	0	4	4	0	3	3	3	3	0	0	
Two	29	29	0	15	15	0	15	0	6	6	0	5	5	5	5	0	0	
Three	23	23	0	10	10	0	10	0	5	5	0	4	4	4	4	0	0	
Four	28	28	0	18	18	0	18	0	6	6	0	5	5	5	5	0	0	
Five	28	28	0	16	16	0	16	0	2	2	0	2	2	2	2	0	0	
Six	25	25	0	10	10	0	10	0	1	1	0	1	1	1	1	0	0	
Seven	34	34	0	9	9	0	9	0	2	2	0	2	2	2	2	0	0	
Eight	25	25	0	14	14	0	14	0	0	0	0	0	0	0	0	0	0	
Nine	25	25	0	9	9	0	9	0	4	4	0	4	4	4	4	0	0	
Ten	24	24	0	8	8	0	8	0	1	1	0	1	1	1	1	0	0	
Eleven	12.5	12.5	0	9	9	0	9	0	0	0	0	0	0	0	0	0	0	
Twelve	15	15	0	8	8	0	8	0	1	1	0	1	1	1	1	0	0	
Subtotal	316.5	316.5	0	151	151	0	151	0	37	37	0	37	37	32	32	0	0	
SpEd Elementary	26	26	0	9	9	0	9	0	4	4	0	4	4	3	3	0	0	
SpEd Middle School	13	13	0	8	8	0	8	0	1	1	0	1	1	1	1	0	0	
SpEd High School	13.5	13.5	0	9	9	0	9	0	0	0	0	0	0	0	0	0	0	
Subtotal	52.5	52.5	0	26	26	0	26	0	5	5	0	5	5	4	4	0	0	
Totals	369.0	369.0	0	177	177	0	177	0	42	42	0	42	42	36	36	0	0	
Percentage Error			0.00%				0.00%		0.00%				0.00%				0.00%	

	Reported on DRTS by DOE		Reported on DRTS by District		Transportation		Sample for Verification	
	DOE	District	Errors	Tested	Verified	Errors	Register	Application
Reg. Public Schools, col.1	32	32	0	27	27	0	27	0
Reg. - SpEd, col.4	1	1	0	1	1	0	1	0
Non-Public - ALL, col.3	0	0	0	0	0	0	0	0
Transported - Non-Public, col.2	0	0	0	0	0	0	0	0
Special Ed Spec, col.6	9	9	0	8	8	0	8	0
Totals	42	42	0	36	36	0	36	0
Percentage Error			0.00%				0.00%	

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

	Resident ELL / LEP NOT Low Income			Sample for Verification		
	Reported on	Reported on	Errors	Sample	Verified to	Sample
	A.S.A. as	Workpapers as		Selected	Application	Errors
	NOT Low	NOT Low		from	and	
	Income	Income		Workpapers	Register	
Full Day PreK	0	0	0	0	0	0
Full Day Kindergarten	0	0	0	0	0	0
One	2	2	0	1	1	0
Two	1	1	0	1	1	0
Three	4	4	0	3	3	0
Four	1	1	0	1	1	0
Five	1	1	0	1	1	0
Six	0	0	0	0	0	0
Seven	1	1	0	1	1	0
Eight	0	0	0	0	0	0
Nine	0	0	0	0	0	0
Ten	1	1	0	1	1	0
Eleven	0	0	0	0	0	0
Twelve	0	0	0	0	0	0
Subtotal	11	11	0	9	9	0
SpEd Elementary	1	1	0	1	1	0
SpEd Middle School	0	0	0	0	0	0
SpEd High School	0	0	0	0	0	0
Subtotal	1	1	0	1	1	0
Totals	12	12	0	10	10	0
Percentage Error			0.00%			0.00%

BOROUGH OF KEYPORT SCHOOL DISTRICT
SCHEDULE OF CALCULATION OF EXCESS SURPLUS
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, Ex. C-1	\$ <u>21,513,908.83</u>	
Increased by:		
Transfer from General Fund to SRF for Preschool (Inclusion)	<u>89,333.00</u>	
Transfer to Food Service Fund	<u> </u>	
Transfer from Capital Outlay to Capital Projects Fund	<u> </u>	
Transfer from Capital Reserve to Capital Projects Fund	<u> </u>	
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ <u>3,850,838.68</u>	
Assets acquired under Capital Leases	<u> </u>	
Adjusted 2020 - 2021 General Fund Expenditures		\$ <u>17,752,403.15</u>
4% of Adjusted 2020 - 2021 General Fund Expenditures		\$ <u>710,096.13</u>
Greater of line above or \$250,000.00		\$ <u>710,096.13</u>
Increased by: Allowable Adjustment		\$ <u>135,954.00</u>
Maximum Unreserved/Undesignated Fund Balance		\$ <u>846,050.13</u>

SECTION 2

Total General Fund - Fund Balances @ 6-30-21	\$ <u>6,714,234.18</u>	
Decreased by:		
Year-end Encumbrances	\$ <u>140,481.57</u>	
Legally Restricted-Excess Surplus-Designated for Subsequent Year's Expenditures	\$ <u>700,000.00</u>	
Semi Supplemental FFCRA- Designated for Subsequent Year's Expenditures	\$ <u>2,598.27</u>	
Other Restricted Fund Balances:		
Maintenance Reserve	\$ <u>1,236,918.21</u>	
Capital Reserve	\$ <u>2,023,141.00</u>	
Tuition Reserve	\$ <u>350,000.00</u>	
Assigned Fund Balance - Unreserved-Designated for Subsequent Year's Expenditures		\$ <u>15,045.00</u>
Total Unassigned Fund Balance		\$ <u>2,246,050.13</u>

SECTION 3

Restricted Fund Balance-Excess Surplus \$ 1,400,000.00

Recapitulation of excess surplus as of June 30, 2021

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures \$ 700,000.00

Reserved Excess Surplus \$ 1,400,000.00

Total Excess Surplus \$ 2,100,000.00

Detail of Allowable Adjustments

Extraordinary Aid \$ 135,954.00

\$ 135,954.00