

**MAINLAND REGIONAL
BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Honorable President and
Members of the Board of Education
Mainland Regional High School District
County of Atlantic, New Jersey

REPORT OF INDEPENDENT AUDITORS

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Mainland Regional High School District in the County of Atlantic for the year ended June 30, 2021, and have issued our report thereon dated March 14, 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 Mainland Regional High School Board of Education's management and the New Jersey Department of Education (cognizant agency), other state and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these parties.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

March 14, 2022

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**MAINLAND REGIONAL HIGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND
PERFORMANCE REPORTING**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, 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

Insurance coverage was carried in the amounts as detailed on Exhibit J-13, Insurance Schedule contained in the District's CAFR.

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Kim Robinson	Board Secretary/School Business Administrator	\$100,000.00
Crime Insurance		\$500,000.00

Tuition Charges

The District did not have any tuition students during the 2018-2019 school year where an adjustment would have been required for the 2020-2021 school year. Therefore, no comparison was made of tentative tuition charges and actual certified charges.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of 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 promptly remitted to the proper agencies.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, 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 proper classification of orders as reserve for encumbrances and accounts payable. No exceptions were noted.

Classification of Expenditures

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

Our review of the financial and accounting records maintained by the board secretary disclosed the following items.

Finding 2021-001:

As of June 30, 2021 a deficit in fund balance exists in the Debt Service Fund in the amount of \$17,123.47.

Recommendation:

The District budget sufficiently to remove the deficit balance.

Chief School Administrator's Records

There were no items noted during our review of the records maintained by the Chief School Administrator.

Elementary and Secondary School Improvement Act of 1988 (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 Title I, Title II, Title IV, V and Title VI of the Elementary and Secondary Education Act as Amended.

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 reimbursement to the State for the amount of the expenditure charged to the current year's Final Report for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made subsequent to the end of the 60 day grant liquidation period, but prior to the 90 days required by *N.J.S.A. 18A:66-90*. Accordingly, the expenditure was made in accordance with State law (90 days) and properly recorded as obligated and not expended and as an unliquidated balance in the current year's Final Report for all federal awards.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with *N.J.S.A. 18A:18A-2* and *18A:18A-3* are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (Without a Qualified Purchasing Agent), respectively. The Board of Education has a qualified purchasing agent. The law regulating bidding for public school student transportation contracts under *N.J.S.A. 18A:39-3* is currently \$19,600.

The Board of Education has the responsibility of determining whether the expenditures of 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.

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

School Food Services

COVID – 19 EMERGENCY

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus all Public, Charter, Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to Free and Reduced Price eligible students during the period of school closures.

During SY 2020-2021 the public health emergency was still applicable. As a result, School Food Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) option.

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

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

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.

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

The cash 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 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.

Net cash resources did not exceed three months average expenditures.

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

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

Applications for free and reduced 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 meals 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.

USDA Food Distribution Program (food and/or 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 Assets (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

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.

Finding 2021-002:

The Food Service Fund (Proprietary Fund) has a deficit Net Position at year end.

Recommendation:

That the Board of Education budget sufficient funds in the subsequent years budget to fund the deficit in Net Position in the Food Service Fund.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Fund Financial Statements, Section B of the CAFR.

Student Body Activities and Athletic Association

Our audit of the student activities and athletic funds noted no exceptions.

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, low-income and bilingual.

We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers 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 has adequate written procedures for the recording of student enrollment data.

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 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.

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.

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action was not taken on all the prior year findings and are repeated for the Food Service Fund in this year's recommendations noted as current year finding 2021-002:

The Food Service Fund (Proprietary Fund) has deficit Net Position at year end.

Acknowledgment

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

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

MAINLAND REGIONAL HIGH SCHOOL DISTRICT

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -Federal

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
National School Lunch (High Rate)	Paid	0	0	0	0	0.35	0.00
National School Lunch (High Rate)	Reduced	0	0	0	0	3.13	0.00
National School Lunch (High Rate)	Free	85,184	85,184	85,184	0	3.53	0.00
	TOTAL	85,184	85,184	85,184			0.00
National School Lunch	HHFKA - PB Lunch Only	85,184	85,184	85,184	0	0.07	0.00
School Breakfast (Severe Rate)	Paid	0	0	0	0	0.32	0.00
	Reduced	0	0	0	0	1.96	0.00
	Free	69,692	69,692	69,692	0	2.26	0.00
	TOTAL	69,692	69,692	69,692			0.00
Total Net Overclaim							0.00

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

MAINLAND REGIONAL HIGH SCHOOL DISTRICT

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
State Reimbursement - National School Lunch (Regular Rate)	Paid	0	0	0	0	0.250	0.00
State Reimbursement - National School Lunch (Regular Rate)	Reduced	0	0	0	0	0.255	0.00
State Reimbursement - National School Lunch (Regular Rate)	Free	69,692	69,692	69,692	0	0.255	0.00
	TOTAL	<u>69,692</u>	<u>69,692</u>	<u>69,692</u>			

Total Net Overclaim

0.00

NET CASH RESOURCE SCHEDULE

Net cash resources did not exceed three months of expenditures Proprietary Funds - Food Service FYE 2021

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 479,860.77
B-4		Due from Other Gov'ts	80,735.09
B-4		Interfund Receivable	-
		Current Liabilities	
B-4		Less Accounts Payable	-
B-4		Less Due to Other Funds	(757,550.30)
B-1		Less Deferred Revenue	-
		Net Cash Resources	<u>\$ (196,954.44) (A)</u>

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	\$ 430,288.44
B-5		Less Depreciation	<u>(3,350.79)</u>
		Adj. Tot. Oper. Exp.	<u>426,937.65 (B)</u>

Average Monthly Operating Expense:

	B / 10		<u>42,693.77 (C)</u>
--	--------	--	-----------------------------

Three times monthly Average:

	3 X C		<u>\$ 128,081.30 (D)</u>
--	-------	--	---------------------------------

TOTAL IN BOX A	<u>(196,954.44)</u>
LESS TOTAL IN BOX D	<u>128,081.30</u>
NET	<u>(325,035.74)</u>

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.

SOURCE - USDA resource management comprehensive review form

MAINLAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

	2020-2021 Application for State School Aid				Sample for Verification				Private Schools for Disabled					
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Reported on Selected from Workpapers		Verified per Registers On Roll		Reported on A.S.S.A. as Private Schools		Sample for Verification		Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool														
Full Day Preschool														
Half Day Kindergarten														
Full Day Kindergarten														
One														
Two														
Three														
Four														
Five														
Six														
Seven														
Eight														
Nine	245		245		-		52	52	-			-		
Ten	231		231		-		49	49	-			-		
Eleven	246		246		-		53	53	-			-		
Twelve	239		239		-		51	51	-			-		
Post-Graduate														
Adult H.S. (15+CR.)														
Subtotal	961	-	961	-	-	205	205	205	-	-	-	-	-	-
Special Ed - Elementary														
Special Ed - Middle School	234		234		-		49	49	-			-		-
Special Ed - High School	234		234		-		49	49	-			-		-
Subtotal	1,195	-	1,195	-	-	254	254	254	-	-	-	-	-	-
Co. Voc. - Regular														
Co. Voc. - FT Post Sec.														
Totals	1,195	-	1,195	-	-	254	254	254	-	-	-	-	-	-
Percentage Error														

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

	Resident Low Income		Sample for Verification		Resident LEP Low Income		Sample for Verification	
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Reported on A.S.S.A as LEP Low Income	Reported on Workpapers LEP Low Income	Sample Selected from Workpapers	Verified to Test Score, Register, & Application
Half Day Preschool								
Full Day Preschool								
Half Day Kindergarten								
Full Day Kindergarten								
One								
Two								
Three								
Four								
Five								
Six								
Seven								
Eight								
Nine	48	48	25	25	-	-	-	-
Ten	47	47	24	24	5	5	4	4
Eleven	48	48	25	25	2	2	2	2
Twelve	53	53	28	28	1	1	1	1
Post-Graduate								
Adult H.S. (15+CR.)								
Adult H.S. (1-14+CR.)								
Subtotal	196	196	102	102	8	8	7	7
Special Ed - Elementary								
Special Ed - Middle School	85	85	44	44	3	3	3	3
Special Ed - High School	85	85	44	44	3	3	3	3
Subtotal								
Co. Voc. - Regular								
Co. Voc. - FT Post Sec.								
Train Sch/Secure Care								
Totals	281	281	146	146	11	11	10	10
Percentage Error								

Transportation

	Reported on DRTS by DOE/County		Reported on DRTS by District		Tested		Verified		Errors
	Reported on DRTS by DOE/County	Reported on DRTS by District	Tested	Verified	Tested	Verified	Errors		
Reg - Public Schools, col. 1	406.00	406.00	145.00	145.00	-	-	-	-	-
Reg - Sp Ed, col. 4	77.00	77.00	27.00	27.00	-	-	-	-	-
Transported - Non-Public, col. 3	30.00	30.00	11.00	11.00	-	-	-	-	-
ALL Non-Public Schools	46.00	46.00	15.00	15.00	-	-	-	-	-
Special Ed Spec, col. 6									
Totals	559.00	559.00	197.00	198.00	-	-	-	-	-
Percentage Error									

Reg Avg. (Mileage) = Regular Including Grade PK Students (Part A) 4.1
 Reg Avg. (Mileage) = Regular Excluding Grade PK Students (Part B) 4.1
 Spec Avg. = Special Ed with Special Needs 5.7

MAINLAND REGIONAL HIGH SCHOOL BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	1	1	-	1	1	-
One						
Two						
Three						
Four						
Five						
Six						
Seven						
Eight						
Nine						
Ten						
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14+CR.)						
Subtotal	1	1	-	1	1	-
Special Ed - Elementary						
Special Ed - Middle School						
Special Ed - High School						
Subtotal	-	-	-	-	-	-
Co. Voc. - Regular						
Co. Voc. - FT Post Sec.						
Totals	1	1	-	1	1	-
%						
Percentage Error						

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 4% Calculation of Excess Surplus

2020-2021 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ 31,375,655.43	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	-	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	-	(B1b)
Transfer from General Fund to SRF for Pre-K Regular	-	(B1c)
Transfer from General Fund to SRF for Pre-K Inclusion	-	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	(4,979,373.37)	(B2a)
Assets Acquired Under Capital Leases	<u>(622,000.00)</u>	(B2b)
Adjusted 2020-2021 General Fund Expenditures [(B)+(B1s)-(B2s)]	<u>25,774,282.06</u>	(B3)
4% of Adjusted 2020-2021 General Fund Expenditures [(B3) times .04]	<u>1,030,971.28</u>	(B4)
Enter greater of (B4) or \$250,000	<u>1,030,971.28</u>	(B5)
Increased by: Allowable Adjustment *	<u>64,912.00</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		<u>1,095,883.28</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-2021 (Per CAFR Budgetary Comparison Schedule C-1)	7,288,929.29	C
Decreased by:		
Year-end Encumbrances	(5,880.05)	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures		(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	(3,402,834.37)	(C3)
Other Restricted Fund Balances ****	-	(C4)
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	<u>-</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>3,880,214.87</u> (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U2)-(M)] IF NEGATIVE ENTER -0- 2,784,331.59 (E)

Recapitulation of Excess Surplus as of June 30, 2021

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	<u>3,402,834.37</u>	(C3)
Reserved Excess Surplus ***[(E)]	<u>2,784,331.59</u>	(E)
Total [(C3) + (E) + (F)]	<u>6,187,165.96</u>	(D)

* This adjustment line (as detailed below) is to be utilized for Impact Aid, Sale and Lease-back (Refer to the Audit Program Section II, chapter 10), Extraordinary Aid, and Additional and Nonpublic School Transportation Aid; and recognized current year School Bus Advertising Revenue. (Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid).

Detail of Allowable Adjustments

Impact Aid	-	(H)
Sale & Lease-back	-	(I)
Extraordinary Aid	56,212.00	(J1)
Additional Nonpublic School Transportation Aid	8,700.00	(J2)
Current Year School Bus Advertising Revenue Recognized	<u>-</u>	(J3)
Total Adjustments [(H)+(I)+(J1)+(J2)]	<u>64,912.00</u>	(K)

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

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

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

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	<u>-</u>
Sale/lease-back reserve	<u>-</u>
Capital reserve	<u>-</u>
Maintenance reserve	<u>-</u>
Emergency reserve	<u>-</u>
Tuition reserve	<u>-</u>
Other state/government mandated reserves	<u>-</u>
Other Restricted Fund Balance not noted above****	<u>-</u>
Total Other Reserved Fund Balance	<u>-</u>

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2021
MAINLAND REGIONAL HIGH SCHOOL DISTRICT

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

2021-001: The District budget sufficiently to remove the deficit

balance. 3. School Purchasing Programs

None

4. School Food Service

2021-002: That the Board of Education budget sufficient funds in the subsequent years budget to fund the deficit in Net Position in the Food Service Fund.

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 Audit Findings/Recommendations

Corrective action has been taken on the prior year findings with the exception of Finding #004, related to the School Food Service finding, noted above which has been repeated in the current year findings.