

**MANCHESTER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS –
FINANCIAL, COMPLIANCE AND PERFORMANCE
June 30, 2021**

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

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditors' 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 Account and Position Control Roster	2
Reserve for Encumbrances and Accounts Payable.....	3
Classification of Expenditures	3
General Classifications	
Administrative Classifications	
Board Secretary's Records	3
Treasurer's Records.....	3
Elementary and Secondary Education Act as amended by the Every Student Succeeds Act (ESSA)	3
Other Special Federal and/or State Projects.....	3
T.P.A.F. Reimbursement	4
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	4
School Food Service	5
Student Body Activities.....	7
Application for State School Aid	7
Pupil Transportation	7
Testing for Lead of All Drinking Water in Educational Facilities.....	7
Follow-up on Prior Year's Findings.....	7
Acknowledgment	7
Schedule of Meal Count Activity.....	8
Net Cash Resource Schedule	10
Schedule of Audited Enrollments	11
Excess Surplus Calculation	14
Recommendations.....	17

INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Education
Manchester Township School District
County of Ocean, New Jersey

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 Manchester Township School District, County of Ocean as of and for the year ended June 30, 2021, and have issued our report thereon dated March 11, 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 solely for the information and use of the Manchester Township Board of Education's management, Board of Education members, others within the entity, and the New Jersey Department of Education and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 11, 2022

David J. Gannon

David J. Gannon
Licensed Public School Accountant, No. 2305

Scope of Audit

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

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on J-20, Insurance Schedule contained in the District's ACFR.

Official Bonds N.J.S.A. 18A:17-26, 18A:17-32, & 18A:13-13

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Craig Lorentzen	Board Secretary/School Business Administrator	\$ 287,500

There is a Public Employees' Faithful Performance Blanket Position Bond with the Western Surety Company covering all other employees with multiple coverage of \$1,000,000.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The District made a proper adjustment to the billings to sending Districts for the increase (decrease) 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

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation and no discrepancies or exceptions were noted.

Payroll Account and Position Control Roster

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 withholding due to the general fund.

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

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 and 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 our randomly selected test samples, 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, a transaction error rate of 0% overall was 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 no exceptions.

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 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.

The study of compliance for E.S.E.A. indicated no instances of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules (K-3) and (K-4) 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.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms 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 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 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Nonpublic State Aid

Not applicable to the District as it does not receive any nonpublic funds.

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(a)* are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A. 18A:39-3* is currently \$19,600 for 2020-2021.

The District has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

The results of our examination, performed on a test basis, 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 provisions 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*.

School Food Service

PUBLIC HEALTH EMERGENCY

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

During SY 2020-2021 the public health emergency was still applicable. As a result, School Food 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 students during the emergency.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

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 Procurement contract/addendum was reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$22,900. 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.

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.

We 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 amount to the SFA.

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/board of trustees. 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 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.

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 Position (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section B of the ACFR.

Student Body Activities

During our audit of the student activity funds, we did not note any 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 work papers without exception. The information that was included on the work papers was verified without exception. 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 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. 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).

Follow-up on Prior Year's Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year's recommendations. There were no prior year findings and therefore no corrective action was required.

Acknowledgment

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

MANCHESTER TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF MEAL COUNT ACTIVITY

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 (Regula/Rate)	Paid	0	0	0	0	0.35	0.00
National School Lunch (Regular Rate)	Reduced	0	0	0	0	3.13	0.00
National School Lunch (Regular/SSO Rate)	Free	0	0	0	0	3.53	0.00
National School Breakfast (Regular/SSO Rate)	Free	195,742	195,742	195,742	0	3.51	0.00
National School Lunch (Regular/SSO Rate)	Free	202,095	202,095	202,095	0	2.26	0.00
	TOTAL	397,837	397,837	397,837			0.00
National School Lunch	HHFKA - PB Lunch Only	195,742	195,742	195,742	0	0.07	0.00
School Breakfast (Regular Rate)	Paid	0	0	0	0	0.32	0.00
	Reduced	0	0	0	0	1.59	0.00
	Free	0	0	0	0	1.89	0.00
	TOTAL	0	0	0			0.00
Total Net Overclaim							-

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.29 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) If underclaims are identified and total \$100.00 or more by program, please contact the DOA for requirements to request reimbursement from USDA. Underclaim requests may or may not be approved by USDA for reimbursement. (d) Child and Adult Care Food Program-(CACFP)-At-Risk Dinners

MANCHESTER TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF MEAL COUNT ACTIVITY

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	0.050	0.00
State Reimbursement - National School Lunch (Regular Rate)	Reduced	0	0	0	0	0.055	0.00
State Reimbursement - National School Lunch (Regular Rate)	Free	0	0	0	0	0.055	0.00
	TOTAL	<u>0</u>	<u>0</u>	<u>0</u>			
Seamless Summer Option (SSO)							
Lunch	Free	98,990	98,990	98,990	0	0.055	0.00
Lunch	Free	96,752	96,752	96,752	0	0.255	0.00
	TOTAL	<u>195,742</u>	<u>195,742</u>	<u>195,742</u>			
Total Net Overclaim							<u><u>0.00</u></u>

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.29 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) State underclaims identified are not eligible for reimbursement.

MANCHESTER TOWNSHIP SCHOOL DISTRICT

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

		Food Service B - 4/5	
<u>Net Cash Resources:</u>			
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 102,956.00
B-4		Due from Other Gov'ts	240,268
B-4		Accounts Receivable	37,849
B-4		Investments	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(42,095)
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Unearned Revenue	<u>(22,002)</u>
		Net Cash Resources	<u><u>\$ 316,976.00</u></u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	1,186,566	
B-5	Less Depreciation	<u>(8,885)</u>	
	Adj. Tot. Oper. Exp.	<u><u>\$ 1,177,681.00</u></u>	(B)

Average Monthly Operating Expense:

B / 10	<u><u>\$ 117,768.10</u></u>	(C)
--------	------------------------------------	------------

Three times monthly Average:

3 X C	<u><u>\$ 353,304.30</u></u>	(D)
-------	------------------------------------	------------

TOTAL IN BOX A	\$ 316,976.00
LESS TOTAL IN BOX D	\$ 353,304.30
NET	<u><u>\$ (36,328.30)</u></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

MANCHESTER TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF AUDITED ENROLLMENTS

**APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020**

	2021-2022 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		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	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool																
Full Day Preschool	10		10		-		10		10		-					
Half Day Kindergarten	-		-		-		-		-		-					
Full Day Kindergarten	159		159		-	-	27		27		-	-				
One	183		183		-	-	61		61		-	-				
Two	166		166		-	-	79		79		-	-				
Three	166		166		-	-	27		27		-	-				
Four	142		142		-	-	41		41		-	-				
Five	163		163		-	-	81		81		-	-				
Six	148		148		-	-	148		148		-	-				
Seven	183		183		-	-	183		183		-	-				
Eight	182		182		-	-	182		182		-	-				
Nine	194		194		-	-	194		194		-	-				
Ten	197		197		-	-	197		197		-	-				
Eleven	179	24.0	179	24.0	-	-	179	24.0	179	24.0	-	-				
Twelve	179	32.0	179	32.0	-	-	179	32.0	179	32.0	-	-				
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	2,251.0	56.0	2,251.0	56.0	-	-	1,588.0	56.0	1,588.0	56.0	-	-	-	-	-	-
Special Ed - Elementary	234	-	234	-	-	-	78	-	78	-	-	-	10.0	9	9	-
Special Ed - Middle School	128	-	128	-	-	-	127	-	127	-	-	-	7.0	7	7	-
Special Ed - High School	131	66.0	131	66.0	-	-	130	66.0	130	66.0	-	-	9.5	7	7	-
Subtotal	493.0	66.0	493.0	66.0	-	-	335.0	66.0	335.0	66.0	-	-	26.5	23.0	23.0	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	2,744.0	122.0	2,744.0	122.0	-	-	1,923.0	122.0	1,923.0	122.0	-	-	26.5	23.0	23.0	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**MANCHESTER TOWNSHIP SCHOOL DISTRICT
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	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	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 Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool	4.0	4.0		2.0	2.0							
Half Day Kindergarten												
Full Day Kindergarten	31.0	31.0	-	9.0	9.0	-	0.0	0.0	-	0.0	0.0	-
One	54.0	54.0	-	14.0	14.0	-	5.0	5.0	-	4.0	4.0	-
Two	43.0	43.0	-	10.0	10.0	-	3.0	3.0	-	3.0	3.0	-
Three	54.0	54.0	-	13.0	13.0	-	6.0	6.0	-	5.0	5.0	-
Four	42.0	42.0	-	11.0	11.0	-	1.0	1.0	-	1.0	1.0	-
Five	51.0	51.0	-	14.0	14.0	-	0.0	0.0	-	0.0	0.0	-
Six	48.0	48.0	-	13.0	13.0	-	2.0	2.0	-	2.0	2.0	-
Seven	56.0	56.0	-	14.0	14.0	-	1.0	1.0	-	1.0	1.0	-
Eight	55.0	55.0	-	15.0	15.0	-	3.0	3.0	-	2.0	2.0	-
Nine	49.0	49.0	-	16.0	16.0	-	0.0	0.0	-	0.0	0.0	-
Ten	63.0	63.0	-	16.0	16.0	-	3.0	3.0	-	2.0	2.0	-
Eleven	52.0	52.0	-	15.0	15.0	-	3.0	3.0	-	2.0	2.0	-
Twelve	45.0	45.0	-	15.0	15.0	-	3.0	3.0	-	1.0	1.0	-
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	647.0	647.0	-	177.0	177.0	-	30.0	30.0	-	23.0	23.0	-
Special Ed - Elementary	96.0	96.0	-	24.0	24.0	-	2.0	2.0	-	2.0	2.0	-
Special Ed - Middle	53.0	53.0	-	14.0	14.0	-	0.0	0.0	-	0.0	0.0	-
Special Ed - High	47.0	47.0	-	17.0	17.0	-	1.0	1.0	-	1.0	1.0	-
Subtotal	196.0	196.0	-	55	55	-	3	3	-	3	3	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	843.0	843.0	-	232	232	-	33	33	-	26	26	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

Transportation

	Reported on DRTRS by DOE/county		Difference	Tested	Verified	Errors	Reported	
	District	County					Reported	Recalculated
Reg. - Public Schools	1,816.0	1,816.0	-	219	219	-	5.1	5.1
Reg -SpEd	290.5	290.5	-	35	35	-	5.1	5.1
Transported - Non-Public	55.0	55.0	-	7	7	-		
AIL - Non-Public	40.0	40.0	-	5	5	-		
Special Ed Spec	208.5	208.5	-	25	25	-		
Totals	2,410	2,410	-	291	291	-	5.9	5.9
Percentage Error						0.00%		

Reg Avg.(Mileage) = Regular Including Grade PK students (Part A) 5.1 5.1
 Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B) 5.1 5.1
 Spec Avg. = Special Ed with Special Needs 5.9 5.9

SCHEDULE OF AUDITED ENROLLMENTS

MANCHESTER TOWNSHIP SCHOOL DISTRICT
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 NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	2.0	2.0	-	2.0	2.0	-
One	3.0	3.0	-	2.0	2.0	-
Two	2.0	2.0	-	2.0	2.0	-
Three	3.0	3.0	-	2.0	2.0	-
Four	2.0	2.0	-	2.0	2.0	-
Five	0.0	0.0	-	0.0	0.0	-
Six	0.0	0.0	-	0.0	0.0	-
Seven	0.0	0.0	-	0.0	0.0	-
Eight	3.0	3.0	-	2.0	2.0	-
Nine	0.0	0.0	-	0.0	0.0	-
Ten	0.0	0.0	-	0.0	0.0	-
Eleven	1.0	1.0	-	1.0	1.0	-
Twelve	2.0	2.0	-	2.0	2.0	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	18.0	18.0	-	15.0	15.0	-
Special Ed - Elementary	0.0	0.0		0.0	0.0	
Special Ed - Middle	1.0	1.0		1.0	1.0	
Special Ed - High	0.0	0.0		0.0	0.0	
Subtotal	1.0	1.0	-	1.0	1.0	-
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	19.0	19.0	-	16.0	16.0	-
Percentage Error			0.00%			0.00%

MANCHESTER TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2021

SECTION 1 - Regular District

B. 4% Calculation of Excess Surplus

2020-21 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 65,807,676	(B)
Increased by Applicable Operating Transfers:		
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 PreK-Regular	\$ -	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ -	(B1d)
Decreased by:		
On-Behalf TPAF Pension, Post-Retirement Contributions, Long-Term Disability Insurance and Social Security	\$ 10,246,256	(B2a)
Assets Acquired Under Capital Leases	\$ 809,500	(B2b)
Adjusted 2020-21 General Fund Expenditures [(B) + (B1s) - (B2s)]	\$ 54,751,920	(B3)
4% of Adjusted 2020-21 General Fund Expenditures [(B3) times .04]	\$ 2,190,077	(B4)
Enter Greater of (B4) or \$250,000	\$ 2,190,077	(B5)
Increased by: Allowable Adjustment*	\$ 1,170,964	(K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(B5) + (K)]	\$ 3,361,041	(M)

SECTION 2

Total General Fund - Fund Balances at 6-30-21 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 7,365,781	(C)
Decreased by:		
Year-end Encumbrances	\$ 53,579	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 771,788	(C3)
Other Restricted Fund Balances****	\$ 2,923,977	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ 10,651	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ 3,605,786	(U1)

MANCHESTER TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2021

SECTION 3

Restricted Fund Balance - Excess Surplus ***	
[(U1)-(M)] IF NEGATIVE ENTER -0-	\$ 244,745 (E)

Recapitulation of Excess Surplus as of June 30, 2021

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 771,788 (C3)
Reserved Excess Surplus *** [(E)]	\$ 244,745 (E)
 Total Excess Surplus [(C3)+(E)]	 \$ 1,016,533 (D)

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

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

Detail of Allowable Adjustments

Impact Aid	\$ - (H)
Sales & Lease-back	\$ - (I)
Extraordinary Aid	\$ 1,159,364 (J1)
Additional Nonpublic School Transportation Aid	\$ 11,600 (J2)
Current Year School Bus Advertising Revenue Recognized	\$ - (J3)
Family Crisis Transportation Aid	\$ - (J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ 1,170,964 (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 must agree to Audit Summary Worksheet Line 90030.

**** Amount for Other Restricted 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 any 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.

MANCHESTER TOWNSHIP SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2021

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 1,645,000
Maintenance reserve	\$ 992,410
Emergency reserve	\$ -
Tuition reserve	\$ -
School bus advertising 50% fuel offset reserve - current year	\$ -
School bus advertising 50% fuel offset reserve - prior year	\$ -
Impact Aid General Fund Reserve	\$ -
Impact Aid Capital Fund Reserve	\$ -
Other state/government mandated reserves	\$ -
Reserve for unemployment	\$ 286,567
Other Restricted Fund Balance not noted above	\$ -
Total Other Restricted Fund Balance	\$ 2,923,977 (C4)

MANCHESTER TOWNSHIP SCHOOL DISTRICT
COUNTY OF OCEAN

RECOMMENDATIONS

June 30, 2021

I. **Administration Practices and Procedures**

There are none.

II. **Financial Planning, Accounting and Reporting**

There are none.

III. **School Purchasing Program**

There are none.

IV. **School Food Service**

There are none.

V. **Student Body Activities**

There are none.

VI. **Application for State School Aid**

There are none.

VII. **Pupil Transportation**

There are none.

VIII. **Facilities and Capital Assets**

There are none.

IX. **Miscellaneous**

There are none.

X. **Status of Prior Year Audit Findings/Recommendations**

In accordance with *Government Auditing Standards*, our procedures included a review of the prior year recommendations; however, there were no prior year recommendations.