

*Auditor's Management Report*

*for the*

*Metuchen  
School District*

*in the*

*County of Middlesex  
New Jersey*

*for the*

*Fiscal Year Ended  
June 30, 2021*



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

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Metuchen School District  
County of Middlesex  
Metuchen, New Jersey 08840

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 Metuchen School District in the County of Middlesex for the year ended June 30, 2021, and have issued our report dated February 2, 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 Metuchen School District, County of Middlesex, 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 2, 2022

**Independent Auditor's Management Report of Administrative Findings - Financial and Compliance**

**SCOPE OF AUDIT**

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

**ADMINISTRATIVE PRACTICES AND PROCEDURES**

**Insurance (N.J.S.A. 18A:17-26, 18A: 17-32)**

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

**Official Bonds**

<u>NAME</u>	<u>POSITION</u>	<u>AMOUNT OF BONDS</u>
Rebecca Cuthbert	Treasurer of School Monies	\$280,000.00
Michael Harvier	Board Secretary/School Business Administrator	50,000.00

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

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING**

**Examination of Claims**

An examination of claims paid during the period under review did not indicate any 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.

Payrolls were delivered to the treasurer of school moneys with a warrant made to his order for the full amount of each payroll.

**Independent Auditor's Management Report of Administrative Findings - Financial and Compliance**

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONTINUED)**

**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, Liability (Current) for Accounts Payable**

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

**Unemployment Compensation Insurance Trust Fund**

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund.

**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 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 satisfactory condition and appropriate balances matched to those prepared by the Treasurer of School Monies.

**Treasurer's Records**

The records maintained by the Treasurer of School Monies were in satisfactory condition and independently maintained from the Board Secretary/Board Administrator.

**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 projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

**Independent Auditor's Management Report of Administrative  
Findings - Financial and Compliance**

**Other Special Federal and 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.

**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 90 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 \$32,000.00, 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. (pending before the Legislature as section 15 of this bill) 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.



**Independent Auditor's Management Report of Administrative  
Findings - Financial and Compliance**

**SCHOOL PURCHASING PROGRAMS (CONTINUED)**

**Contracts and Agreements Requiring Advertisement for Bids (Continued)**

**N.J.S.A. 18A:18A-3 States (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 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-3(a) are \$44,000.00 (with a Qualified Purchasing Agent) \$32,000.00 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18:39-3 is currently \$19,600.00.

**Independent Auditor's Management Report of Administrative  
Findings - Financial and Compliance**

**SCHOOL PURCHASING PROGRAMS (CONTINUED)**

**Contracts and Agreements Requiring Advertisement for Bids (Continued)**

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.

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 examination did reveal however, that the district made purchases through the use of state contracts.

**SCHOOL FOOD SERVICE FUND**

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus all 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.

**Independent Auditor's Management Report of Administrative  
Findings - Financial and Compliance**

**SCHOOL FOOD SERVICE FUND (Continued)**

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 contract were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. 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 were 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 program requirements. The FSMC did not apply for and receive a loan in accordance with the Payroll Protection Plan. Net cash resources did (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 commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The Statement of Revenue, Expenses, and Changes in Fund Net Assets does separate program and non-program revenue and program and non-program costs of goods sold. Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G of the ACFR.

**Independent Auditor's Management Report of Administrative  
Findings - Financial and Compliance**

**STUDENT BODY ACTIVITIES**

**Student Activities and Athletics Account**

A cash receipts and disbursement record was maintained in satisfactory condition.

**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 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 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.

**FACILITIES AND CAPITAL ASSETS**

Our procedures included review of any active SDA agreements, transfers of local funds from the general fund or from the capital reserve account, awarding of contracts for eligible facilities construction, and the District's capital assets ledger. No exceptions noted.

**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/charter school/renaissance school project submitted 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**

There were no findings in prior year.

**Independent Auditor's Management Report of Administrative Findings - Financial and Compliance**

**RECOMMENDATIONS**

It is recommended that:

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

METUCHEN 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		Errors		Sample Selected from Workpapers		Verified per Registers on Roll		Errors per Registers on Roll		Reported as Private Schools for A.S.S.A. for Verification		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Half Day PreK 3 yrs	3		3		0		1		1		0				
Half Day PreK 4 yrs	2		2		0		1		1		0				
Full Day PreK 4 yrs.	2		2		0						0				
Half Day K	96		96		0		12		12		0				
One	134		134		0		21		21		0				
Two	137		137		0		18		18		0				
Three	165		165		0		21		21		0				
Four	136		136		0		19		19		0				
Five	160		160		0		20		20		0				
Six	161		161		0		17		17		0				
Seven	158		158		0		17		17		0				
Eight	156		156		0		21		21		0				
Nine	156		156		0		21		21		0				
Ten	153		153		0		22		22		0				
Eleven	169		169		0		19		19		0				
Twelve	171		171		0		17		17		0				
Subtotal	1,959	0	1,959	0	0	0	247	0	247	0	0	0	0	0	
SpEd Elementary	147		147		0		17		17		0		4	1	
SpEd Middle School	78		78		0		9		9		0		2	1	
SpEd High School	100	3	100		0		11		11		0		9	3	
Subtotal	325	3	325	0	0	0	37	0	37	0	0	0	15	5	
Totals	2,284	3	2,284	0	0	0	284	0	284	0	0	0	15	5	
Percentage					0.00%						0.00%				0.00%

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

	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 Application and Register	Sample Errors
Half Day PreK 3 yrs			0			0			0			0
Half Day PreK 4 yrs			0			0			0			0
Full Day PreK 4 yrs			0			0			0			0
Half Day K		2	0	2	2	0			0			0
One	2	3	0	1	1	0	1	1	0	1	1	0
Two	5	5	0	1	1	0			0			0
Three	5	5	0			0	2	2	0	1	1	0
Four	9	9	0			0	1	1	0	1	1	0
Five	3	3	0	1	1	0	1	1	0	1	1	0
Six	10	10	0	1	1	0			0			0
Seven	10	10	0	1	1	0	1	1	0	1	1	0
Eight	5	5	0	1	1	0	1	1	0	1	1	0
Nine	10	10	0	1	1	0			0			0
Ten	7	7	0	1	1	0			0			0
Eleven	10	10	0	2	2	0			0			0
Twelve	13	13	0	1	1	0	1	1	0	1	1	0
Subtotal	92	92	0	13	13	0	8	8	0	6	6	0
SpEd Elementary	11	11	0	2	2	0	1	1	0	1	1	0
SpEd Middle School	8	8	0	1	1	0	1	1	0	1	1	0
SpEd High School	7	7	0	1	1	0			0			0
Subtotal	26	26	0	4	4	0	2	2	0	2	2	0
Totals	118	118	0	17	17	0	10	10	0	8	8	0
Percentage Error			0.00%			0.00%			0.00%			0.00%

Reported on DRTRS by DOE	Transportation		
	Reported on DRTRS by District	Tested	Verified
29	29	20	20
62	62	50	50
3	3	1	1
83	83	34	34
177	177	105	105
Percentage Error			0.00%

Reg. Public Schools, col. 1  
Non Pub - AIL - Col. 3  
Reg. - SpEd, Col. 4  
Special Ed Spec. col. 6  
Totals

METUCHEN SCHOOL DISTRICT  
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 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 3 yrs			0			0
Half Day Preschool 4 yrs			0			0
Full Day PreK 4 yrs			0			0
Half Day Kindergarten	3	3	0	3	3	0
One	2	2	0	2	2	0
Two	1	1	0	1	1	0
Three	4	4	0	3	3	0
Four	2	2	0	2	2	0
Five			0			0
Six			0			0
Seven	1	1	0	1	1	0
Eight	3	3	0	2	2	0
Nine	1	1	0	1	1	0
Ten	2	2	0	2	2	0
Eleven	3	3	0	2	2	0
Twelve	1	1	0	1	1	0
Subtotal	<u>23</u>	<u>23</u>	<u>0</u>	<u>20</u>	<u>20</u>	<u>0</u>
SpEd Elementary			0			0
SpEd Middle School			0			0
SpEd High School	1	1	0	1	1	0
Subtotal	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>
Totals	<u>24</u>	<u>24</u>	<u>0</u>	<u>21</u>	<u>21</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>



METUCHEN SCHOOL DISTRICT  
SCHEDULE OF CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION 1

4% Calculation of Excess Surplus (2020-21 expenditures of \$100 million or less)

2020 - 2021 Total General Fund Expenditures	<u>46,672,581.60</u>	
Decreased by:		
On-Behalf TPAF Pension & Social Security	<u>7,343,894.60</u>	
Adjusted 2020 - 2021 General Fund Expenditures		<u>39,328,687.00</u>
4% of Adjusted 2020 - 2021 General Fund Expenditures		<u>1,573,147.48</u>
Greater of line above or \$250,000.00		<u>1,573,147.48</u>
Increased by: Allowable Adjustment		<u>826,629.00</u>
Maximum Unreserved/Undesignated Fund Balance		<u><u>2,399,776.48</u></u>

SECTION 2

Total General Fund Balances @ 6-30-21	<u>10,955,403.55</u>	
Decreased by:		
Year End Encumbrances	<u>3,220,095.82</u>	
Legally Restricted-Designated for Subsequent Year's Expenditures	<u>329,999.89</u>	
Legally Restricted-Excess Surplus-Designated For Subsequent Year's Expenditures	<u>1,475,403.11</u>	
Other Restricted Fund Balances (Capital Reserve, Maintenance Reserve, Emergency Reserve)	<u>2,446,371.76</u>	
Total Unreserved/Undesignated Fund Balance for Excess Surplus Calculation		<u>3,483,532.97</u>

SECTION 3

Restricted Fund Balance-Excess Surplus		<u>1,083,756.49</u>
<u>Recapitulation of excess surplus as of June 30, 2021</u>		
Restricted Excess Surplus - Designated for Subsequent Year's Expenditures		<u>1,475,403.11</u>
Restricted Excess Surplus		<u>1,083,756.49</u>
Total		<u><u>2,559,159.60</u></u>

Detail of Allowable Adjustments

Additional/Unbudgeted Extraordinary Aid		808,649.00
Additional/Unbudgeted Non-Public School Transportation Aid		<u>17,980.00</u>
		<u><u>826,629.00</u></u>

METUCHEN SCHOOL DISTRICT  
NET CASH RESOURCE SCHEDULE - FOOD SERVICE  
FY 2021

ACFR	*	Current Assets	
B-4		Cash & Cash Equiv.	107,464.65
B-4		Due from Other Gov'ts	
B-4		Accounts Receivable	87,948.63
B-4		Inventories	9,564.26
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(10,317.58)
B-4		Less Accruals	
B-4		Less Due to Other Funds	(20,000.00)
B-4		Less Unearned Revenue	<u>(36,079.67)</u>
		Net Cash Resources	<u><u>138,580.29</u></u> (A)

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	494,210.80
B-5		Less Depreciation	<u>(22,810.04)</u>
		Adj. Tot. Oper. Exp.	<u><u>471,400.76</u></u> (B)

Average Monthly Operating Expense:

	B / 10	<u><u>47,140.08</u></u> (C)
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Three times monthly Average:

	3 X C	<u><u>141,420.23</u></u> (D)
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TOTAL IN BOX A		<u>138,580.29</u>	
LESS TOTAL IN BOX D		<u>(141,420.23)</u>	
NET		<u><u>(2,839.94)</u></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 METUCHEN SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>PROGRAM</u>	<u>MEAL</u> <u>CATEGORY</u>	<u>MEALS</u> <u>CLAIMED</u>	<u>MEALS</u> <u>VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER)</u> <u>UNDER</u> <u>CLAIM (b)</u>
National School Lunch	Free	104,441	104,441	0	3.51	0.00
	TOTAL	<u>104,441</u>	<u>104,441</u>			<u>0.00</u>
School Breakfast	Free	46,289	46,289	0	1.89	0.00
	TOTAL	<u>46,289</u>	<u>46,289</u>			<u>0.00</u>
<b>Total Net Overclaim ( Underclaim)</b>						<u><u>0.00</u></u>

BOROUGH OF METUCHEN SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - STATE  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>PROGRAM</u>	<u>MEAL</u>	<u>MEALS</u>	<u>MEALS</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER)</u>
	<u>CATEGORY</u>	<u>CLAIMED</u>	<u>VERIFIED</u>			<u>UNDER</u>
						<u>CLAIM (b)</u>
State Reimbursement - National School Lunch	Free	104,441	104,441	0	\$0.55 / \$0.255	0.00
	TOTAL	<u>104,441</u>	<u>104,441</u>			
<b>Total Net Overclaim ( Underclaim)</b>						<u><u>0.00</u></u>

