

Lake Como Board of Education

Auditor's Management Report

County of Monmouth

June 30, 2021

**Robert A. Hulsart & Company
Certified Public Accountants
2807 Hurley Pond Road, Suite 100
Wall, New Jersey 07719**

AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS

FINANCIAL, COMPLIANCE AND PERFORMANCE

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Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

1.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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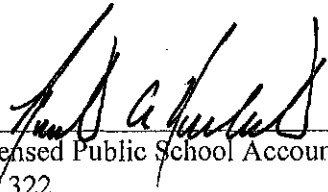
REPORT OF INDEPENDENT AUDITORS

Honorable President and Members
of the Board of Education
Lake Como School District
County of Monmouth, New Jersey

We have audited, in accordance with generally accepted audit standards and Government Auditing Standards, issued by the comptroller General of the United States, the general-purpose financial statements of the Board of Education of the Lake Como School District in the County of Monmouth, for the year ended June 30, 2021, and have issued our report thereon dated February 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 for the information of the Lake Como Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



Licensed Public School Accountant
No. 322
ROBERT A. HULSART AND COMPANY

February 11, 2022

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 Monies, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

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

Officials Bond

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Michael Bardsley	Board Secretary	\$ 150,000

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.

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.

Board Secretary's Records/Treasurer's Records

Our review of the financial and accounting records maintained by the board secretary and treasurer indicated that they were in proof.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with *N.J.S.A. 18A:18A-2* and *18A:18A-3(a)* are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A. 18A:39-3* is \$19,600 for 2020-21.

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

Based on the results of our examination, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A. 18A:18A-4*.

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

Pupil Transportation

Our procedures 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.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6:20-2A.2 (m) 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. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Fund Balance

As of June 30, 2021, the district has emergency reserve of \$250,000, \$155,694 of unrestricted surplus; \$253,046 designated for subsequent year's expenditures and \$39,014 withdrawal from tuition reserve; for a total fund balance of \$697,754.

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 staff.

4% Calculation of Excess Surplus

2020-2021 Total General Fund Expenditures Per the ACFR	<u>\$ 3,952,547</u>
Adjusted 2020-2021 General Fund Expenditures	<u>\$ 3,952,547</u>
4% of Adjusted 2020-2021 General Fund Expenditures	<u>\$ 79,051</u>
Enter Greater of Above or \$250,000	\$ 250,000
Increased by Allowable Adjustments	<u>110,706</u>
Maximum Unreserved/Undesignated Fund Balance	<u>\$ 360,706</u>

Section 2

Total General Fund – Fund Balance @ June 30, 2021	\$ 697,754
Decreased By:	
Other Reserves	(250,000)
Designated for Subsequent Years Expenditures – Tuition Reserve	(39,014)
Designated for Subsequent Years Expenditures – BOE	<u>(253,046)</u>
Total Unreserved/Undesignated Fund Balance	<u>\$ 155,694</u>
Reserved Fund Balance – Excess Surplus	<u>\$ 0</u>

Section 3

Excess Surplus – Current Year	\$ 0
Reserved Fund Balance - Designated for Subsequent Years Expenditures	<u>0</u>
	<u>\$ 0</u>

Detail of Allowable Adjustments

Non-Public Transportation	\$ 778
Extraordinary Aid	<u>109,928</u>
	<u>\$ 110,706</u>

Detail of Reserved Fund Balance

Tuition Reserve	\$ 0
Emergency Reserve	<u>250,000</u>
	<u>\$ 250,000</u>

LAKE COMO SCHOOL DISTRICT

APPLICATION FOR STATE SCHOOL AID SUMMARY

Sheet 1 of 2

ENROLLMENT AS OF OCTOBER 15, 2020

	2021-2022 Application for State School Aid						Sample for Verification						Private Schools for Handicapped			
	Reported On		Reported on		Errors		Sample Selected		Verified Per		Errors Per Registers		Reported On	Sample for	Sample	Sample
	A.S.S.A. on Roll		Workpapers on Roll				from Workpapers		Registers on Roll		on Roll		A.S.S.A. as	Verification	Verified	Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private Schools			
Half Day Kindergarten																
One																
Two																
Three																
Four																
Five																
Six																
Seven																
Eight																
Subtotal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Ed. - Elementary																
Special Ed. - Middle													2	2	2	
Special Ed. - High School													1	1	1	
Subtotal	0	0	0	0	0	0	0	0	0	0	0	3	3	3	0	
Co. Voc. - Regular																
Co. Voc. - Ft. Post Sec.																
Home Instruction																
Totals	0	0	0	0	0	0	0	0	0	0	0	3	3	3	0	
Percentage Error					0%	0%										0%

LAKE COMO SCHOOL DISTRICT

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2020

Low Income

No students on roll reported as low income.

LEP Students

No students on roll reported as LEP.

Transportation

	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	45	45		45	45	
Transported - Non-Public	2	2		2	2	
Special Education	6	6		6	6	
Special Needs - Private	2	2		2	2	
Totals	<u>55</u>	<u>55</u>	<u>0</u>	<u>55</u>	<u>55</u>	<u>0</u>
Percentage Error						<u>0%</u>

	Reported	Recalculated
Avg. Mileage - Regular Including Grade PK Students	5.5	5.5
Avg. Mileage - Regular Excluding Grade PK Students	5.5	5.5
Avg. Mileage - Special Ed. With Special Needs	8.0	8.0

LAKE COMO SCHOOL DISTRICT
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Recommendations:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
3. School Purchasing Programs
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. Miscellaneous
None
10. Status of Prior Year Audit Findings/Recommendations
There were no prior year recommendations.