

HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT

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

JUNE 30, 2022

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

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Independent Auditors' Report

Honorable President and Members
of the Board of Education
Hopewell Valley Regional School District
County of Mercer, New Jersey

We have audited, in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Hopewell Valley Regional School District, County of Mercer for the year ended June 30, 2022, and have issued our report thereon dated March 9, 2023.

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 and use of the Hopewell Valley Regional School District's management and Board members, and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in blue ink that reads "Scott A. Clelland".

Scott Clelland
Licensed Public School Accountant
No. 1049

A handwritten signature in blue ink that reads "PKF O'Connor Davies, LLP".

PKF O'Connor Davies, LLP
Cranford, New Jersey

March 9, 2023

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**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

JUNE 30, 2022

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 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>
Robert Colavita	Business Administrator/Board Secretary	\$ 120,000
James Bartolomei	Treasurer of School Moneys	400,000

P.L.2020,c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the district.

The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The District made a proper adjustment to the billings to sending Districts for the increase or 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 under review indicated no discrepancies with respect to signatures, certification or supporting documentation.

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

JUNE 30, 2022

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, including health benefit premium withholdings due to the general fund.

Payrolls were delivered to the Treasurer of School Monies with a warrant made to his order for the full amount of each payroll.

No exceptions were noted during our testing of payroll.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster did not identify and inconsistencies between the payroll records, employee benefit records and the general ledger accounts to where wages are posted.

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 identified.

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, 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 Board Secretary's records did not identify any exceptions.

Treasurer's Records

Our review of the Treasurer's records did not identify any exceptions.

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

JUNE 30, 2022

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.

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 A (K-3) and B (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.

The study of compliance for the other special projects indicated no instances of noncompliance or questioned costs that are required to be reported in accordance with the Uniform Guidance or State Circular NJ OMB 15-08. However, the following was identified:

Finding 2022-001:

During our testing of the Education Stabilization Fund (ESSER Grants), we noted two instances where employees charged to the grant were not board approved. The individuals did have approved timesheets supporting the time charged to the grant program.

Recommendation:

We suggest that the District ensure all grant related employees are board approved prior to expenditures being charged to the grant.

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 Teacher's 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 who salaries are identified as being paid from federal grants 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.

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

JUNE 30, 2022

Non-Public State Aid

Our review of Nonpublic State Aid completion reports disclosed no exceptions.

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 (the Business Administrator is a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school transportation contracts under *N.J.S.A. 18A:39-3* is \$20,200 for 2021-22.

The 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 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. Governor Murphy's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

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 could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

JUNE 30, 2022

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 or Non-Competitive Emergency Procurement contract/addendum were reviewed and audited. The FSMC contract includes operating results provision which has no guarantees that the food service program will breakeven, incur a profit or incur a loss. 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.

The FSMC did apply for a receive a loan in accordance with the Payroll Protection Plan and did use the funds to pay for costs applicable to the Food Service Program. The PPP Loan was subsequently forgiven and the FSMC did refund or credit the applicable amounts 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 Food Services employees authorized by the board of education. No exceptions were noted.

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

JUNE 30, 2022

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 Donation Program 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.

Finding 2022-002:

During our testing over the National School Lunch Program, we noted one instance where a vendor performed various work that in the aggregate exceeded the federal procurement quote threshold and a quote was not obtained.

Recommendation:

We suggest that the District ensure they are following applicable guidance and thresholds in regards to purchasing items under federal grant programs.

Student Body Activities

During our testing of the student activity funds, the following exception was noted:

Finding 2022-003:

During our testing of receipts and expenditures, we noted one instance where a deposit was not made timely and five instances where student monies were spent on items that should have been charged to the budget and not to the student activities.

Recommendation:

We suggest the district ensure that student activity receipts are deposited timely and that procedures are put in place to ensure that student activity monies are spent on student activity related expenditures.

Application for State School Aid

Because the General State Aid cluster was not tested as a major program in the 2022 fiscal year, our audit procedures did not include a test of information reported in the October 15, 2021 Application for State School

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

JUNE 30, 2022

Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. We did agree the ASSA summary report to the underlying District working papers without exception. We also performed a review of the District procedures related to its completion. 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 2021-22 District of Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with minor differences. 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 testing, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the New Jersey Schools Development Authority (“NJSDA”) grant agreement for consistency with recording NJSDA revenue, transfer of local funds from the General Fund or from the capital reserve account and awarding of contracts for eligible facilities construction. No current year NJSDA activity was noted.

Miscellaneous

Testing for Lead of All Drinking Water in Educational Facilities

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

Follow-up on Prior Year’s Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings. There were no Office of Fiscal Accountability and Compliance (“OFAC”) audit reports issued during the 2022 fiscal year.

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.

SCHEDULE OF MEAL COUNT ACTIVITY

HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT

FOOD SERVICE FUND

NUMBER OF MEALS SERVED - FEDERAL

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Lunch (Severe Needs Rate)	Paid	-	-	-	-	\$ 0.37	\$ -
National School Lunch (Severe Needs Rate)	Reduced	-	-	-	-	3.28	-
National School Lunch (Severe Needs Rate)	Free	-	-	-	-	3.68	-
	TOTAL	-	-	-			-
HHFKA - PB Lunch							
National School Lunch	Only	-	-	-	-	\$ 0.07	\$ -
After School Snack	Free	-	-	-	-	\$ 1.00	\$ -
School Breakfast (Regular Rate)							
	Paid	-	-	-	-	\$ 0.33	\$ -
	Reduced	-	-	-	-	1.67	-
	Free	-	-	-	-	1.97	-
	TOTAL	-	-	-			-
School Breakfast (Severe Need Rate)							
	Paid	-	-	-	-	\$ 0.33	\$ -
	Reduced	-	-	-	-	2.05	-
	Free	-	-	-	-	2.35	-
	TOTAL	-	-	-			-
Summer Food Service Program							
	Lunch - Free	303,169	303,169	303,169	-	\$ 4.56	\$ -
	Breakfast - Free	3,960	3,960	3,960	-	2.61	-
	TOTAL	307,129	307,129	307,129			-
Total Net Underclaim/(Overclaim)							\$ -

SCHEDULE OF MEAL COUNT ACTIVITY

HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT

FOOD SERVICE FUND

NUMBER OF MEALS SERVED - STATE

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	-	-	-	-	\$ 0.05	\$ -
State Reimbursement - National School Lunch (Regular Rate)	Reduced	-	-	-	-	0.055	-
State Reimbursement - National School Lunch (Regular Rate)	Free	-	-	-	-	0.255	-
	TOTAL	<u>-</u>	<u>-</u>	<u>-</u>			

Total Net Underclaim/(Overclaim)

\$ -

HOPWELL VALLEY REGIONAL SCHOOL DISTRICT

NET CASH RESOURCE SCHEDULE

**Net cash resources did not exceed three months of expenditures
Proprietary Fund - Food Service
For the Fiscal Year Ended June 30, 2022**

<u>Net Cash Resources:</u>			Food Service B - 4/5	
ACFR	*	Current Assets		
B-4		Cash & Cash Equiv.	\$ 306,186	
B-4		Accounts Receivable	109,284	
ACFR		Current Liabilities		
B-4		Less Unearned Revenue	<u>(63,606)</u>	
		Net Cash Resources	<u><u>\$ 351,864</u></u>	(A)

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	1,470,205	
B-5		Less Depreciation	<u>(26,850)</u>	
		Adj. Tot. Oper. Exp.	<u><u>\$ 1,443,355</u></u>	(B)

Average Monthly Operating Expense:

	B / 10	<u><u>\$ 144,336</u></u>	(C)
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Three times monthly Average:

	3 X C	<u><u>\$ 433,007</u></u>	(D)
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TOTAL IN BOX A	\$ 351,864
LESS TOTAL IN BOX D	\$ 433,007
NET	<u><u>\$ (81,143)</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

SCHEDULE OF AUDITED ENROLLMENTS

HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

Note: Detailed testing over ASSA was not performed for the fiscal year ending June 30, 2022 as the General State Aid Cluster was not tested as a major program in the current year for Single Audit purposes.

	2022-23 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 Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool	47		47					-	-	-	-					
Full Day Preschool								-	-	-	-					
Half Day Kindegarten								-	-	-	-					
Full Day Kindergarten	203		203					-	-	-	-					
One	212		212					-	-	-	-					
Two	197		197					-	-	-	-					
Three	218		218					-	-	-	-					
Four	196		196					-	-	-	-					
Five	207		207					-	-	-	-					
Six	200		200					-	-	-	-					
Seven	235		235					-	-	-	-					
Eight	237		237					-	-	-	-					
Nine	205		205					-	-	-	-					
Ten	214		214					-	-	-	-					
Eleven	210	2	210	2				-	-	-	-					
Twelve	230	9	230	9				-	-	-	-					
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	2,811	11	2,811	11	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - Elementary	249		249					-	-	-	-		8			
Special Ed - Middle School	135		135					-	-	-	-		6			
Special Ed - High School	199	7	199	7				-	-	-	-		15			
Subtotal	583	7	583	7	-	-	-	-	-	-	-	-	29	-	-	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	3,394	18	3,394	18	-	-	-	-	-	-	-	-	29	-	-	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021**

Note: Detailed testing over ASSA was not performed for the fiscal year ending June 30, 2022 as the General State Aid Cluster was not tested as a major program in the current year for Single Audit purposes.

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	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	1	1										
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	5	5		-	-		-	-		-	-	
One	4	4		-	-		-	-		-	-	
Two	4	4		-	-		-	-		-	-	
Three	4	4		-	-		1	1		-	-	
Four	4	4		-	-		-	-		-	-	
Five	4	4		-	-		-	-		-	-	
Six	4	4		-	-		-	-		-	-	
Seven	5	5		-	-		-	-		-	-	
Eight	4	4		-	-		-	-		-	-	
Nine	7	7		-	-		-	-		-	-	
Ten	7	7		-	-		-	-		-	-	
Eleven	4	4		-	-		-	-		-	-	
Twelve	4.5	4.5		-	-		-	-		-	-	
Post-Graduate							0.5	0.5		-	-	
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	61.5	61.5	-	-	-	-	1.5	1.5	-	-	-	-
Special Ed - Elementary	12	12		-	-		1.5	1.5		-	-	
Special Ed - Middle	13	13		-	-		1	1		-	-	
Special Ed - High	13	13		-	-		-	-		-	-	
Subtotal	38	38	-	-	-	-	2.5	2.5	-	-	-	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	99.5	99.5	-	-	-	-	4	4	-	-	-	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

	<u>Transportation</u>					
	Reported on DRTRS by District	Reported on DRTRS by DOE/county	Errors	Tested	Verified	Errors
Reg. - Public Schools	1,571.0	1,571.0	-	200.0	199.0	1.0
Reg -SpEd	228.0	228.0	-	29.0	29.0	-
Transported - ALL	310.0	310.0	-	40.0	39.0	1.0
Transported - Non-Public	-	-	-	-	-	-
Special Ed Spec	117.0	117.0	-	15.0	14.0	1.0
Totals	2,226.0	2,226.0	-	284.0	281.0	3.0
Percentage Error			0.00%			1.06%

	Reported	Recalculated
Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)	4.6	4.6
Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B)	4.6	4.6
Spec Avg. = Special Ed with Special Needs	8.9	8.9

SCHEDULE OF AUDITED ENROLLMENTS

HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

Note: Detailed testing over ASSA was not performed for the fiscal year ending June 30, 2022 as the General State Aid Cluster was not tested as a major program in the current year for Single Audit purposes.

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	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 Kindegarten						
Full Day Kindergarten	4	4	-	-	-	-
One	3	3	-	-	-	-
Two	1	1	-	-	-	-
Three	2	2	-	-	-	-
Four	-	-	-	-	-	-
Five	1	1	-	-	-	-
Six	2	2	-	-	-	-
Seven	1	1	-	-	-	-
Eight	2	2	-	-	-	-
Nine	-	-	-	-	-	-
Ten	-	-	-	-	-	-
Eleven	1	1	-	-	-	-
Twelve	2	2	-	-	-	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>19</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>19</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2022

SECTION 1

A. 4% Calculation of Excess Surplus

2021-22 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 108,441,851	(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 PreK - Regular	\$ _____	(B1c)
Transfer from General Fund to SRF for PreK - Inclusion	\$ _____	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ 19,178,352	(B2a)
Assets Acquired Under Capital Leases	\$ 4,475,761	(B2b)
Adjusted 2021-22 General Fund Expenditures [(B)-(B1s)-(B2s)]	\$ 84,787,738	(B3)
4% of Adjusted 2021-22 General Fund Expenditures [(B3) times .04]	\$ 3,391,510	(B4)
Enter Greater of (B4) or \$250,000	\$ 3,391,510	(B5)
Increased by: Allowable Adjustment*	\$ 780,900	(K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5) + (K)]	\$ 4,172,410	(M)

This adjustment line (line (K) as detailed below) is to be utilized for Federal Impact Aid, Sale, Lease-back, Extraordinary Aid, Additional Nonpublic School Transportation Aid, Recognized current year School Bus Advertising Revenue and Family Crisis Transportation Aid, if applicable. Extraordinary Aid and Additional Nonpublic School Transportation Aid for 2021-22 received after June 30 is limited to the amount of revenue recognized in the audit year that was not appropriated.

*

Detail of Allowable Adjustments

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ 691,000	(J1)
Additional Nonpublic School Transportation Aid	\$ 89,900	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
Maintenance of Equity and State Military Impact Aid received July 2022	\$ _____	(J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	\$ 780,900	(K)

HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2022

SECTION 2

Total General Fund - Fund Balances at June 30, 2022	\$ 17,082,453 (C)
Decreased by:	
Year-end Encumbrances	\$ 1,799,718 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ - (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 641,200 (C3)
Other Restricted Fund Balances****	\$ 7,020,055 (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ 3,449,070 (C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	 <u>\$ 4,172,410 (U1)</u>

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 6,928,732
Maintenance reserve	\$ 91,323
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 (Sections 8002 and 8003)	\$ -
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$ -
Other state/government mandated reserve	\$ -
[Other Restricted Fund Balance not noted above]****	\$ -
 Total Other Restricted Fund Balance	 <u>\$ 7,020,055 (C4)</u>

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$ - (E)
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 641,200 (C3)
Reserved Excess Surplus *** [(E)]	\$ - (E)
 Total [(C3)+(E)]	 <u>\$ 641,200 (D)</u>

Line

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

*** Amounts must agree to the June 30, 2022 ACFR and must agree to Audit Summary 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 another type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

**HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

JUNE 30, 2022

Audit Recommendations Summary

1. **Administrative Practices and Procedures**
None
2. **Financial Planning, Accounting and Reporting**

Finding 2022-001

We suggest that the District ensure all grant related employees are board approved prior to expenditures being charged to the grant.
3. **School Purchasing Programs**
None
4. **School Food Service**

Finding 2022-002

We suggest that the District follow applicable federal guidance in regards to purchasing.
5. **Student Body Activities –**

Finding 2022-003

We suggest the District ensure that student activity receipts are deposited timely and that procedures are put in place to ensure that student activity monies are spent on student activity related expenditures.
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** – Prior year finding was corrected.