

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
SCHOOL DISTRICT OF THE  
TOWNSHIP OF MOUNT OLIVE  
COUNTY OF MORRIS, NEW JERSEY  
JUNE 30, 2021**

**SCHOOL DISTRICT OF THE TOWNSHIP OF MOUNT OLIVE**  
**COUNTY OF MORRIS, NEW JERSEY**

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

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**REPORT OF INDEPENDENT AUDITORS**

Honorable President and  
Members of the Board of Education  
Township of Mount Olive School District  
County of Morris, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Township of Mount Olive School District in the County of Morris for the year ended June 30, 2021, and have issued our report thereon 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 thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Township of Mount Olive 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.

*Thomas M. Ferry*

Thomas M. Ferry  
Licensed Public School Accountant  
No. 20CS00209100

*Wielkocz & Company, LLC*

Wielkocz & Company, LLC  
Certified Public Accountants  
Rockaway, New Jersey

February 2, 2022



**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE  
YEAR ENDED JUNE 30, 2021**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary, School Business Administrator, and the 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 CAFR.

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Lynn Jones	Board Secretary	\$ 30,000.00
Sherry Kolody	Treasurer of School Monies	400,000.00
Gail Libby	Business Administrator	400,000.00

There is a Blanket Employee Dishonesty Bond with the School Excess Liability Joint Insurance Fund covering all other employees with multiple coverage of \$500,000.00 per occurrence.

**Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was not made. The actual costs were less than the estimated costs. The District made proper adjustment to the billings to sending Districts for the decrease in per pupil costs in accordance with N.J.A.C. 6A:23-3.1 (f)3.

**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE  
YEAR ENDED JUNE 30, 2021**

**Financial Planning, Accounting and Reporting**

Examination of Claims

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

Payroll Account 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 a motion of the Board.

Salary withholdings were promptly remitted to the proper agencies including health benefits premium withholding due to the General Fund.

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

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents, and business administrators) to the NJ Department of Treasury was filed by the March 15 due date.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

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 and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30<sup>th</sup> for goods not yet received or services not rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for priority and to determine that goods were received and services were rendered as of June 30, 2021.

**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE  
YEAR ENDED JUNE 30, 2021**

**Financial Planning, Accounting and Reporting (continued)**

Classification of Expenditures - General and Administrative

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 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

The Board Secretary's records were in satisfactory condition.

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer disclosed no exceptions.

Elementary and Secondary Education (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Title I, Title II and Title III of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated that there were no areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE  
YEAR ENDED JUNE 30, 2021**

**Financial Planning, Accounting and Reporting (continued)**

Other Special Federal and/or State Projects (continued)

The study of compliance for the special projects indicated the following areas of noncompliance:

**Finding 2021-01 (CAFR Finding 2021-001):** There were instances where services provided to students were entered into individual student applications for Extraordinary Special Education Aid (EXAID) which were not explicitly required by that individual student's IEP.

**Recommendation:** The District should ensure that all information being reported on each student's EXAID application is called for in the individual student IEPs.

**T.P.A.F. Reimbursement**

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for District employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

**T.P.A.F. Reimbursement to the State for Federal Salary Expenditures.**

The 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 be 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.

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term 'competitive contracting', which is defined as "the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received." Also, subsection (aa) defines the term 'concession' to exclude vending machines.

**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE  
YEAR ENDED JUNE 30, 2021**

**School Purchasing Programs (continued)**

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

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a “Qualified Purchasing Agent” (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. “In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted.”

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.

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 provision of *N.J.S.A.* 18A:18A-4, amended.

Resolutions were adopted authorizing the awarding of contract 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 alternative 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 Service Activities (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.



**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE  
YEAR ENDED JUNE 30, 2021**

**School Food Service (continued)**

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 services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

Expenditures 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. Net cash resources did not exceed three months average expenditures.

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

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions were noted.

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 and/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.

U.S.D.A. 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.

**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE  
YEAR ENDED JUNE 30, 2021**

**School Food Service (continued)**

The Statement of Revenues, Expenses, and Changes in Fund Net Position (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

We also inquired of management about the emergency of COVID-19 procedures/practices that the SFA instituted to provide meals to eligible 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.

The School District Food Service Management Company maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G, of the CAFR

**Student Body/Athletic Account Activities**

The cash receipts and disbursement records were maintained in good order.

**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 students. 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 with the following exception:

**Finding 2021-02:** There were multiple classification errors between the District workpapers and the A.S.S.A. Report.

**Recommendation:** That District workpapers agree with the A.S.S.A. Report.

**Management Response:** Classification and identification exceptions were the result of clerical errors at the building level. Management will address ways to eliminate clerical errors with building level staff.

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 written procedures appear to be adequate for the recording of student enrollment data.

**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE  
YEAR ENDED JUNE 30, 2021**

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2020-2021 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with the following exceptions:

**Finding 2021-03:** There were multiple classification errors between the District workpapers and the D.R.T.R.S. Report.

**Recommendation:** That District workpapers agree with the D.R.T.R.S. Report.

**Management Response:** Classification and identification exceptions were the result of staff turnover in the transportation office. Management expects these exceptions to be eliminated going forward, based on existing staff levels.

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. No exceptions were noted in our review of transportation related purchases of goods and services.

**Facilities and Capital Assets**

The general fixed asset records were updated for the additions and disposals of general fixed assets made during the year.

Our procedures included a review of the SDA grant agreements, if any, for consistency with recording SDA revenue, transfer of local funds from the general fund, and awarding of contracts for eligible facilities construction.

**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 Years' Findings**

In accordance with Government Auditing Standard, our procedures include a review of all prior year recommendations. Corrective action has been taken on all prior year findings.

**TOWNSHIP OF MOUNT OLIVE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE  
YEAR ENDED JUNE 30, 2021**

**Acknowledgment**

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings except those denoted with an asterisk(\*).

*Thomas M. Ferry*

Thomas M. Ferry  
Licensed Public School Accountant  
No. 20CS00209100

*Wielkotz & Company, LLC*

Wielkotz & Company, LLC  
Certified Public Accountants

SCHEDULE OF AUDITED ENROLLMENTS

**MOUNT OLIVE SCHOOL DISTRICT  
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		Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registrars On Roll		Errors per Registrars On Roll		Reported on A.S.S.A. as Private Schools		Sample Verification		Sample Errors			
	Full	Shared	Full	Shared	Full	Shared	Full	Share	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	
Half Day Preschool	11		11				11													
Full Day Kindergarten	249		249				249													
One	311		311				311													
Two	266		266				266													
Three	305		305				305													
Four	296		296				296													
Five	301		301				301													
Six	315		315				315													
Seven	303		303				303													
Eight	313		313				313													
Nine	288		288				288													
Ten	305		305				305													
Eleven	301	10	301	10			301	10												
Twelve	351	10	351	10			351	10												
Subtotal	3915	20	3,915	20			3915	20												
Special Ed - Elementary	282		282				95													
Special Ed - Middle School	185		185				63													
Special Ed - High School	217	13	217	13			74	11												
Subtotal	684	13	684	13			232	11												
Total	4599	33	4599	33			4147	31												
Percent Error										0.00%										
										0.00%										

SCHEDULE OF AUDITED ENROLLMENTS

MOUNT OLIVE SCHOOL DISTRICT  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2020

Enrollment Category	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Error	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Error
Half Day Kindergarten	15	15		5	5		1	1		1	1	
One	37	37		14	14		5	5		5	5	
Two	38	38		14	14		3	3		2	2	
Three	34	34		12	12		2	2		2	2	
Four	46	46		17	17		3	3		2	2	
Five	33	33		12	12		1	1		1	1	
Six	32	32		12	12							
Seven	32	32		12	12		2	2		2	2	
Eight	47	38	9	14	14							
Nine	33	33		12	12		2	2		2	2	
Ten	18	18		6	6		2	2		2	2	
Eleven	29.5	29.5		11	11		2	2		2	2	
Twelve	37	37		14	14		2	2		2	2	
Subtotal	432	423	9	155	155		23	23		21	21	
Special Ed - Elementary	39	39		14	14		4	4		3	3	
Special Ed - Middle School	33	33		12	12							
Special Ed - High School	42.5	42.5		16	16							
Subtotal	115	115		42	42		4	4		3	3	
Total	546	537	9	197	197		27	27		24	24	
Percent Error			1.65%									0.00%

SCHEDULE OF AUDITED ENROLLMENTS

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

Enrollment Category	Resident LEP NOT Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Error
Half Day Kindergarten	13	13		10	10	
One	18	18		14	14	
Two	14	14		11	11	
Three	14	14		10	10	1
Four	4	4		3	3	
Five	6	6		4	4	
Six	4	4		3	2	1
Seven	3	3		2	2	
Eight	5	5		4	4	
Nine	1	1		1	1	
Ten						
Eleven	2	2		1	1	
Twelve	2	2		1	1	
Subtotal	86	86		65	63	2
Special Ed - Elementary	5	5		4	5	-1
Special Ed - Middle School					1	-1
Special Ed - High School						
Subtotal	5	5		4	6	-2
Total	91	91		69	69	0
Percent Error			0.00%			0%
Regular - Public Schools, col. 1	Reported on DRTRS by DOE/county 2,455	Reported on DRTRS by District 2,455	Errors	Tested	Verified	Errors
Regular - SpEd, col. 4	277	277		144	143	1
Transported - Non-Public, col. 2	37	37		32	31	1
Special Ed Spec, col. 6	259	259		135	133	2
Totals	3,028	3,028		602	595	7
Percentage Error			0.00%			1.16%

**EXCESS SURPLUS CALCULATION -**

**REGULAR DISTRICTS/CHARTER SCHOOL/RENAISSANCE SCHOOL PROJECT**

**SECTION 1**

**A. 4% Calculation of Excess Surplus**

2020-21 Total General Fund Expenditures per the CAFR, Ex.C-1	\$	<u>104,318,104</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	<u>                    </u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	<u>500,000</u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$	<u>                    </u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$	<u>                    </u>	(B1d)
Decreased by:			
On-Behalf TPAF Pension & Social Security	\$	<u>15,118,806</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u>1,299,354</u>	(B2b)
Adjusted 2020-21 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$	<u>88,399,944</u>	(B3)
4% of Adjusted 2020-21 General Fund Expenditures [(B3) times .04]	\$	<u>3,535,998</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>3,535,998</u>	(B5)
Increased by: Allowable Adjustment *	\$	<u>2,457,228</u>	(K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$	<u><u>5,993,226</u></u>	(M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-21 (Per CAFR Budgetary Comparison Schedule C-1)	\$	<u>15,145,052</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>1,403,938</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	<u>                    </u>	(C2)
Legally Restricted Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>1,219,850</u>	(C3)
Other Restricted Fund Balances****	\$	<u>4,852,805</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$	<u>2,049,699</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$	<u><u>5,618,760</u></u>	(U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$	<u><u>-</u></u>	(E)
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**Recapitulation of Excess Surplus as of June 30, 2021**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 1,219,850	(C3)
Reserved Excess Surplus ***[(E)]	\$ -	(E)
Total Excess Surplus [(C3) + (E)]	\$ 1,219,850	(D)

**Footnotes:**

- \* 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:
- (1) Federal Impact Aid. The passage of P.L. 2015, c.46 amended N.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)
  - (1) Extraordinary Aid
  - (2) Additional Nonpublic School Transportation Aid
  - (3) Recognized current year School Bus Advertising Revenue and
  - (4) Family Crisis Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid	\$ -	(1)
Sale & Lease-back	\$ -	(I)
Extraordinary Aid	\$ 2,428,897	(1)
Additional Nonpublic School Transportation Aid	\$ 28,331	(2)
Current Year School Bus Advertising Revenue Recognized	\$ -	(3)
Family Crises Transportation Aid	\$ -	(4)
Total Adjustments [(1)+(I)+(1)+(2)+(3)+(4)]	\$ 2,457,228	(K)

- \*\* This amount represents the June 30, 2021 Excess Surplus (C3 above) and must be included in the Audit Summary or sheet Line 90031.
- \*\*\* Amount must agree to the June 30, 2021 CAFR and must agree to Audit Summary or sheet Line 90030.
- \*\*\*\* Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by 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.

**Detail of Other Restricted Fund Balance**

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Sale/Lease-back reserve	\$ _____
Capital reserve	\$ 3,484,101
Maintenance reserve	\$ 1,000,000
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	\$ _____
Reserve for Unemployment Fund	\$ 368,704
[Other Restricted Fund Balance not noted above]****	\$ _____
Total Other Restricted Fund Balance	\$ 4,852,805 (C4)

**TOWNSHIP OF MOUNT OLIVE  
BOARD OF EDUCATION**

**AUDIT FINDINGS & RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**RECOMMENDATIONS:**

**1. Administrative Practices and Procedures**

None

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

The District should ensure that all information being reported on each student's EXAID application is called for in the individual student IEPs.

**3. School Purchasing Programs**

None

**4. School Food Service**

None

**5. Student Activity Fund**

None

**6. Application for State School Aid**

That District workpapers agree with the A.S.S.A. Report.

**7. Pupil Transportation**

That District workpapers agree with the D.R.T.R.S. Report.

**8. Facilities and Capital Assets**

None

**9. Miscellaneous**

None

**10. Follow-up on Prior Year Findings**

There were no prior year recommendations.