

**Carteret Board of Education  
Carteret, New Jersey**

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

**June 30, 2022**

**AUDITOR’S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS–  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**TABLE OF CONTENTS**

	<u>Page No.</u>
Independent Auditors’ Report .....	1
Scope of Audit.....	2
Administrative Practices and Procedures	
Insurance .....	2
Official Bonds .....	2
<i>P.L.2020, c.44</i> .....	2
Financial Planning, Accounting and Reporting	
Examination of Claims .....	3
Payroll Account and Position Control Roster .....	3
Reserve for Encumbrances and Accounts Payable.....	3
Classification of Expenditures .....	3
• General Classifications	
• Administrative Classifications	
Board Secretary's Records .....	4
Elementary and Secondary Education Act (E.S.E.A.)/ As amended by the Every Student Succeeds Act (ESSA).....	4
Other Special Federal and/or State Projects.....	4
T.P.A.F. Reimbursement.....	7
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids .....	8
School Food Service .....	8
Enrichment Academy .....	8
Student Body Activities .....	10
Application for State School Aid.....	10
Pupil Transportation .....	10
Facilities and Capital Assets .....	10
Testing for Lead of All Drinking Water in Educational Facilities .....	11
Follow-up on Prior Year Findings.....	11
Acknowledgment.....	11
Schedule of Meal County Activity.....	N/A
Net Cash Resource Schedule .....	N/A
Schedule of Audited Enrollments .....	12
Excess Surplus Calculation .....	15
Audit Recommendations Summary.....	18



## INDEPENDENT AUDITORS' REPORT

Honorable President and Members  
of the Board of Trustees  
Carteret Board of Education  
County of Middlesex, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Carteret Board of Education, County of Middlesex as of and for the year ended June 30, 2022, and have issued our report thereon dated March 16, 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 solely for the information and use of the Carteret Board of Education's management and Board members and the New Jersey Department of Education and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*PKF O'Connor Davies, LLP*  
Woodcliff Lake, New Jersey  
March 16, 2023

A handwritten signature in blue ink that reads "Gary Higgins".

Gary Higgins, CPA  
Licensed Public School Accountant, No. CS00814

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**CARTERET BOARD OF EDUCATION  
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, 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 CAFR.

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Hector Berrios	Board Secretary/School Business Administrator *	\$340,000
Carmela Collazo	Board Secretary/School Business Administrator *	340,000
Mary Beth Hronich	Board Designee/Assistant Business Administrator	-0-

*\*Hector Berrios was the Board Secretary/School Business Administrator through December 31, 2021. Carmela Collazo was appointed as the Board Secretary/School Business Administrator effective January 1, 2022. Mary Beth Hronich was appointed as the board designee at the March 30, 2022 public meeting.*

There is a Public Employees' Faithful Performance Blanket Position Bond with the New Jersey School Boards Association Insurance Group covering all other employees with coverage of \$250,000.

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 not submitted timely.

**CARTERET BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

**JUNE 30, 2022**

**Financial Planning, Accounting and Reporting**

Examination of Claims

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

Payroll Account and Position Control Roster

The net salaries of all employees of the Board were deposited in the payroll account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the payroll agency account.

All payrolls tested were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrator, and the Chief School Administrator.

The Board implemented and maintains a personnel tracking and accounting (Position Control) System.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund, where applicable.

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

Our review of the payroll accounts did not reveal any exceptions.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable and no exceptions were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-16.2(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to our selected test samples, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. No exceptions were noted.

**CARTERET BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

**JUNE 30, 2022**

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

Board Secretary's Records

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

Bank Reconciliations

The cash reconciliations for the general operating account and payroll accounts were performed by the Board's designee in accordance with N.J.S.A. 18A:17-9.

The monthly records pertaining to cash reconciliations were in agreement with the records of the Board Secretary.

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

The E.S.E.A./NCLB 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 and Title VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A./N.C.L.B. 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 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.

The study of compliance for the special projects indicated no instances of noncompliance and/or questionable costs.

**CARTERET BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

**JUNE 30, 2022**

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

Other Special Federal and/or State Projects (continued)

**Finding 2022-001 (ACFR Finding 2022-001)** – The audit of federal grant reimbursements indicated the District did not request certain reimbursements for actual grant expenditures on a timely basis during the 2021/22 fiscal year.

**Recommendation** – Grant reimbursement requests for federal programs be made on a timely basis.

**Finding 2022-002 (ACFR Finding 2022-001)** - The audit of payroll transactions allocated to the Title I, Part A grant identified instances of 30 minutes of “prep time” omitted from the time sheet entries, but the 30 minutes of “prep time” were included in the ending number of hours of worked and paid. Additionally, certain employees charged to the ESSER grants were not approved in the official minutes to be charged to the respective grants.

**Recommendation** – It is recommended that both District program and fiscal staff work collaboratively to institute policies and procedures to ensure all Federally funded employees prepare timesheets which:

- reflect actual ending times;
- detail activities of worked; and
- comply with applicable Uniform Grant Guidance requirements.

Additionally, it is recommended all salaried employees charged to Federal grants be specifically approved to be charged to the respective grants in the official minutes.

**Finding 2022-003 (ACFR Finding 2022-003)** - It was noted the District did not have formal written policies that address Uniform Grant Guidance requirements, such as:

- determining the allowability of costs in accordance with federal cost principles the and the terms and conditions of the federal award; and
- the mandatory disclosure of all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award.

**Recommendation** – The District should develop written policies and procedures that meet the criteria required by the Uniform Grant Guidance.

**Finding 2022-004 (ACFR Finding 2022-004)** - It was noted during a review of purchase orders that a number of purchase orders greater than \$25,000 were missing evidence of verification to ensure a vendor is not debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities.

**Recommendation** – The District should implement procedures to retain the supporting documentation that evidences vendors are neither debarred, nor suspended prior to entering into purchase orders or contracts equal to or in excess of \$25,000.

**CARTERET BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

**JUNE 30, 2022**

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

Other Special Federal and/or State Projects (continued)

**Finding 2022-005** - The district utilized the same revenue code for its Title I, Part A and Title I SIA programs. The Uniform Minimum Chart of Accounts for New Jersey Public Schools and Approved Private Schools for Students with Disabilities (UMCOA) designates the use of revenue code range 4411 to 4416 for the following ESEA titled grants:

- Title I- Part A - Improving Basic Programs
- Title I- Part A - SIA School Improvement
- Title I- Part D - Neglected, Delinquent, or At Risk

In addition, the District incorrectly used revenue codes of 4417 for Title IV-A and 4530 for CARES ESSER I programs. The correct revenue codes are 4471 and 4532, respectively.

**Recommendation** - The district must implement a process to ensure the use of revenue codes that comply with the department's prescribed UMCOA for the federal programs identified.

**Finding 2022-006** - The amounts appropriated for several federal grants in the District's accounting records could not always be reconciled with corresponding amounts awarded in the EWEG system.

**Recommendation** - The District must implement a process to ensure that appropriations of all federal grants are recorded appropriately in the financial records.

**Finding 2022-007** – A number of purchase order voucher packets were selected and examined during monitoring. The district was unable to provide evidence that multiple quotes were obtained for more than one purchase order as required by 1) the New Jersey Public School Contracts Law (PSCL) and district policy or 2) procurement standards under Uniform Grant Guidance, whichever is most restrictive. Federal procurement standards do not include all exemptions allowed under the PSCL, specifically professional services.

**Recommendation** - The district must adhere to the PSCL or applicable provisions of the Uniform Grant Guidance, whichever is most restrictive, when obtaining goods and services.



**CARTERET BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

**JUNE 30, 2022**

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

**Federal Programs – Collaborative Monitoring Report**

We have also reviewed any findings contained in the audit reports issued by the Office of Fiscal Accountability and Compliance (OFAC). The New Jersey Department of Education (NJDOE) conducted a review in March of 2022 to monitor the implementation and execution of certain federal programs for which the District received funds. The grants and programs reviewed were for the period July 1, 2021 through February 28, 2022. The NJDOE issued a Collaborative Monitoring Report (the "Report") dated June 2022. The Report included both grant specific programmatic and administrative findings and recommendations. The School Business Administrator prepared a corrective action plan (CAP) that was presented to the Board of Trustees at a public meeting on July 27, 2022. The CAP was unanimously approved and was submitted to the NJDOE for approval. A review of the CAP indicated that certain findings included in the Report were not included in the approved CAP. As of the audit report date, the NJDOE has not notified the District with regard to the acceptance of the CAP. Furthermore, the School Business Administrator is in the process of revising the CAP to reflect all findings that were included in the original Report and will be presenting it to the Board of Trustees at the next public meeting for acceptance.

T.P.A.F. Reimbursement

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

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and exceptions were noted.

**Finding 2022-008** – The District did not report the fiscal year 2022 salaries accurately on the reimbursement form filed on October 1, 2022, resulting in an overpayment to the State of New Jersey of \$530,282. The cause of the overpayment was a result of the District incorrectly including state aid funded salaries in the calculation. As of the audit report date, the District has recovered the funds that were overpaid to the State of New Jersey.

**CARTERET BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

**JUNE 30, 2022**

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

TPAF Reimbursement to the State for Federal Salary Expenditures (continued)

**Recommendation** – The salaries reported on the TPAF reimbursement calculation should be reconciled to the underlying records. Additionally, the reimbursement should only include federally funded program salaries.

**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:18A3(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 \$20,200 for 2021-2022.

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

Based on the results of examination, no individual payments, contracts, or agreements were 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 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

**CARTERET BOARD OF EDUCATION**  
**ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

**JUNE 30, 2022**

**School Food Service (continued)**

Summer Option (SSO). SFAs could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices .

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 school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. The Statement of Revenues, Expenses, and Changes in Fund Net Assets (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

We inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

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 contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$250,000. 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.

**CARTERET BOARD OF EDUCATION**  
**ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

**JUNE 30, 2022**

**School Food Service (continued)**

**Finding 2022-008** – The Food Service Fund net cash resources exceeded the maximum amount permitted by the New Jersey State Department of Education. No recommendation is warranted as a result of the District receiving reimbursements in accordance with the SSO as a result of COVID-19.

**Student Body Activities**

During our audit of the student activity funds, we did not note any exceptions.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2021 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers without exception. The information that was included on the work papers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained 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 2021-2022 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 without exception.

Transportation Aid was not tested as a major program for purposes of the State single audit and therefore limited procedures were performed over the DRTRS.

**Facilities and Capital Assets**

The District had no SDA grant projects during the year. The District utilized a third party provider to maintain the District’s capital assets records.

**CARTERET BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

**JUNE 30, 2022**

**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 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 Findings**

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. All prior year findings have been corrected with the exception of finding 2021-4 (ACFR Finding 2021-002) which is repeated as finding 2022-001.

**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.

**CARTERET BOARD OF EDUCATION**

**SCHEDULE OF AUDITED ENROLLMENTS**

**APPLICATION FOR STATE SCHOOL AID SUMMARY**

**ENROLLMENT AS OF OCTOBER 15, 2021**

	2022-2023 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 Veri- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool																
Full Day Preschool	136	-	136	-	-	-	18	-	18	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	254	-	254	-	-	-	22	-	22	-	-	-	-	-	-	-
One	262	-	262	-	-	-	22	-	22	-	-	-	-	-	-	-
Two	231	-	231	-	-	-	19	-	19	-	-	-	-	-	-	-
Three	231	-	231	-	-	-	19	-	19	-	-	-	-	-	-	-
Four	253	-	253	-	-	-	21	-	21	-	-	-	-	-	-	-
Five	243	-	243	-	-	-	20	-	20	-	-	-	-	-	-	-
Six	252	-	252	-	-	-	21	-	21	-	-	-	-	-	-	-
Seven	278	-	278	-	-	-	19	-	19	-	-	-	-	-	-	-
Eight	283	-	283	-	-	-	18	-	18	-	-	-	-	-	-	-
Nine	208	-	208	-	-	-	18	-	18	-	-	-	-	-	-	-
Ten	206	-	206	-	-	-	20	-	20	-	-	-	-	-	-	-
Eleven	228	-	228	-	-	-	18	-	18	-	-	-	-	-	-	-
Twelve	248	-	248	-	-	-	19	-	19	-	-	-	-	-	-	-
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	3,313.0	-	3,313.0	-	-	-	274.0	-	274.0	-	-	-	-	-	-	-
Special Ed - Elementary	188	-	188	-	-	-	10	-	10	-	-	-	1.0	1	1	-
Special Ed - Middle School	100	-	100	-	-	-	5	-	5	-	-	-	4.0	3	3	-
Special Ed - High School	120	-	120	-	-	-	10	-	10	-	-	-	4.0	4	4	-
Subtotal	408.0	-	408.0	-	-	-	25.0	-	25.0	-	-	-	9.0	8.0	8.0	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	3,721.0	-	3,721.0	-	-	-	299.0	-	299.0	-	-	-	9.0	8.0	8.0	-
Percentage Error					0.00%	0.00%						0.00%	0.00%			0.00%

**SCHEDULE OF AUDITED ENROLLMENTS**

**CARTERET BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2021**

	<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												
Full Day Preschool	50.0	50	-	14	14							
Half Day Kindergarten	-	-	-	-	-							
Full Day Kindergarten	155	155	-	20	20	-	34	34	-	9	9	-
One	180	180	-	21	21	-	38	38	-	7	7	-
Two	174	174	-	19	19	-	47	47	-	8	8	-
Three	167	167	-	14	14	-	34	34	-	9	9	-
Four	188	188	-	12	12	-	45	45	-	12	12	-
Five	165	165	-	20	20	-	25	25	-	11	11	-
Six	180	180	-	19	19	-	24	24	-	9	9	-
Seven	196	196	-	19	19	-	28	28	-	10	10	-
Eight	200	200	-	22	22	-	20	20	-	12	12	-
Nine	146	146	-	19	19	-	11	11	-	8	8	-
Ten	137	137	-	16	16	-	5	5	-	6	6	-
Eleven	144	144	-	17	17	-	17	17	-	14	14	-
Twelve	134	134	-	14	14	-	6	6	-	4	4	-
Subtotal	<u>2,216.0</u>	<u>2,216.0</u>	-	<u>246.0</u>	<u>246.0</u>	-	<u>334.0</u>	<u>334.0</u>	-	<u>119.0</u>	<u>119.0</u>	-
Special Ed - Elementary	139	139	-	19	19	-	21	21	-	10	10	-
Special Ed - Middle	84	84	-	13	13	-	10	10	-	7	7	-
Special Ed - High	84	84	-	13	13	-	2	2	-	2	2	-
Subtotal	<u>307.0</u>	<u>307.0</u>	-	<u>45</u>	<u>45</u>	-	<u>33</u>	<u>33</u>	-	<u>19</u>	<u>19</u>	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	<u>2,523.0</u>	<u>2,523.0</u>	-	<u>291</u>	<u>291</u>	-	<u>367</u>	<u>367</u>	-	<u>138</u>	<u>138</u>	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

<b>Transportation</b>						
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Difference	Tested	Verified	Errors
Reg. - Public Schools	202.0	202.0	-	-	-	-
Reg -SpEd	91.0	91.0	-	-	-	-
Transported - Non-Public	32.0	32.0	-	-	-	-
ALL - Non-Public	67.0	67.0	-	-	-	-
Special Ed Spec	55.0	55.0	-	-	-	-
Totals	<u>447.0</u>	<u>447.0</u>	-	-	-	-
Percentage Error					<u>0.00%</u>	

	Reported	Recalculated
Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)	8.6	8.6
Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B)	0	0
Spec Avg. = Special Ed with Special Needs	6.5	6.5

**SCHEDULE OF AUDITED ENROLLMENTS**

**CARTERET BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2021**

	<b>Resident LEP NOT Low Income</b>			<b>Sample for Verification</b>		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	13	13	-	6	6	-
One	15	15	-	7	7	-
Two	7	7	-	3	3	-
Three	8	8	-	3	3	-
Four	8	8	-	3	3	-
Five	13	13	-	5	5	-
Six	10	10	-	4	4	-
Seven	4	4	-	2	2	-
Eight	10	10	-	5	5	-
Nine	5	5	-	3	3	-
Ten	5	5	-	3	3	-
Eleven	12	12	-	5	5	-
Twelve	8	8	-	4	4	-
Subtotal	<u>118.0</u>	<u>118.0</u>	<u>-</u>	<u>53.0</u>	<u>53.0</u>	<u>-</u>
Special Ed - Elementary	6	6		2	2	
Special Ed - Middle	2	2		2	2	
Special Ed - High	2	2		2	2	
Subtotal	<u>10.0</u>	<u>10.0</u>	<u>-</u>	<u>6.0</u>	<u>6.0</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>128.0</u>	<u>128.0</u>	<u>-</u>	<u>59.0</u>	<u>59.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>



**CARTERET BOARD OF EDUCATION**

**EXCESS SURPLUS CALCULATION**

**JUNE 30, 2022**

**SECTION 1 - Regular District**

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

2021-22 Total General Fund Expenditures per the ACFR, Ex. C-1	<u>\$ 79,456,862</u>	(B)
Increased by Applicable Operating Transfers:		
Transfer from Capital Outlay to Capital Projects Fund	\$ _____	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ _____	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ _____	(B1d)
Decreased by:		
On-Behalf TPAF Pension, Post-Retirement Contributions, Long-Term Disability Insurance and Social Security	<u>\$ 15,906,124</u>	(B2a)
Assets Acquired Under Capital Leases	\$ _____	(B2b)
Adjusted 2021-22 General Fund Expenditures [(B) + (B1s) - (B2s)]	<u>\$ 63,550,738</u>	(B3)
4% of Adjusted 2021-22 General Fund Expenditures [(B3) times .04]	<u>\$ 2,542,030</u>	(B4)
Enter Greater of (B4) or \$250,000	<u>\$ 2,542,030</u>	(B5)
Increased by: Allowable Adjustment*	<u>\$ 553,966</u>	(K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(B5) + (K)]	<u>\$ 3,095,996</u>	(M)

**SECTION 2**

Total General Fund - Fund Balances at 6-30-22 (Per ACFR Budgetary Comparison Schedule C-1)	<u>\$ 14,745,157</u>	(C)
Decreased by:		
Year-end Encumbrances	<u>\$ 3,129,049</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ _____	(C3)
Other Restricted Fund Balances****	<u>\$ 6,020,112</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	<u>\$ 2,500,000</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	<u>\$ 3,095,996</u>	(U1)

**CARTERET BOARD OF EDUCATION**

**EXCESS SURPLUS CALCULATION**

**JUNE 30, 2022**

**SECTION 3**

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

**Recapitulation of Excess Surplus as of June 30, 2022**

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

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

- (H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve – General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
- (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
- (J1) Extraordinary Aid;
- (J2) Additional Nonpublic School Transportation Aid;
- (J3) Recognized current year School Bus Advertising Revenue; and
- (J4) Family Crisis Transportation Aid.
- (J5) Maintenance of Equity Aid and State Military Impact Aid.

**Detail of Allowable Adjustments**

Impact Aid	\$ _____ - (H)
Sales & Lease-back	\$ _____ - (I)
Extraordinary Aid	\$ 525,836 (J1)
Additional Nonpublic School Transportation Aid	\$ 28,130 (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ - (J3)
Family Crisis Transportation Aid	\$ _____ - (J4)
Maintenance of Equity Aid and State Military Impact Aid	\$ _____ - (J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	\$ 553,966 (K)

\*\* This amount represents the June 30, 2022 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amount must agree to the June 30, 2022 CAFR and must agree to Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by any other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

**CARTERET BOARD OF EDUCATION**

**EXCESS SURPLUS CALCULATION**

**JUNE 30, 2022**

**Detail of Other Restricted Fund Balance**

Statutory restrictions:	
Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 5,236,880
Maintenance reserve	\$ -
Emergency reserve	\$ 500,000
Tuition reserve	\$ -
School bus advertising 50% fuel offset reserve - current year	\$ -
School bus advertising 50% fuel offset reserve - prior year	\$ -
Impact Aid General Fund Reserve	\$ -
Impact Aid Capital Fund Reserve	\$ -
Other state/government mandated reserves	\$ -
Reserve for unemployment	\$ 283,232
Other Restricted Fund Balance not noted above	\$ -
Total Other Restricted Fund Balance	\$ 6,020,112 (C4)

**CARTERET BOARD OF EDUCATION  
COUNTY OF MIDDLESEX**

**RECOMMENDATIONS**

**June 30, 2022**

**I. Administration Practices and Procedures**

There are none.

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

2022-001 (ACFR Finding 2022-001) Grant reimbursement requests for federal programs should be made on a timely basis.

It is recommended that both district program and fiscal staff work collaboratively to institute policies and procedures to ensure all Federally funded employees prepare timesheets which:

2022-002 (ACFR Finding 2022-002)

- reflect actual ending times;
- detail activities of worked; and
- comply with applicable Uniform Grant Guidance requirements.

Additionally, it is recommended all salaried employees charged to Federal grants be specifically approved to be charged to the respective grants in the official minutes.

2022-003 (ACFR Finding 2022-003) The District should develop written policies and procedures that meet the criteria required by the Uniform Grant Guidance.

2022-004 (ACFR Finding 2022-004) The District should implement procedures to retain the supporting documentation that evidences vendors are neither debarred, nor suspended prior to entering into purchase orders or contracts equal to or in excess of \$25,000.

2022-005 The district must implement a process to ensure the use of revenue codes that comply with the department's prescribed UMCOA for the federal programs identified.

2022-006 The district must implement a process to ensure that appropriations of all federal grants are recorded appropriately in the financial records.

2022-007 The district must adhere to the PSCL or applicable provisions of the Uniform Grant Guidance, whichever is most restrictive, when obtaining goods and services.

2022-008 The salaries reported on the TPAF reimbursement calculation should be reconciled to the underlying records. Additionally, the reimbursement should only include federally funded program salaries.

**III. School Purchasing Program**

There are none.

**IV. School Food Service**

There are none.

CARTERET BOARD OF EDUCATION  
COUNTY OF MIDDLESEX

RECOMMENDATIONS (Continued)

June 30, 2022

V. **Student Body Activities**

There are none.

VI. **Application for State School Aid**

There are none.

VII. **Pupil Transportation**

There are none.

VIII. **Facilities and Capital Assets**

There are none.

IX. **Miscellaneous**

There are none.

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

In accordance with Government Auditing Standards, our procedures included a review of the prior year recommendations. All prior year findings have been corrected with the exception of finding 2021-4 (ACFR Finding 2021-002) which is repeated as finding 2022-001.