

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2022**

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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## AUDITOR'S MANAGEMENT REPORT

Honorable President and  
Members of the Board of Trustees  
Franklin Township Public Schools  
2301 Route 27  
Somerset, New Jersey 08873

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 Franklin Township Public Schools as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated March 7, 2023.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey 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 management, the Board of Trustees, others within the District and the New Jersey State Department of Education. However, this report is a Franklin Township Public Schools' matter of public record and its distribution is not limited.

LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Public School Accountants

Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
March 7, 2023

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Scope of Audit**

The audit covered the financial transactions of the Assistant Superintendent for Business/Board Secretary 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 the Schedule of Insurance contained in the Statistical Section of the District's Annual Comprehensive Financial Report (the "ACFR").

**Official Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Jonathan Toth	Assistant Superintendent for Business/ Board Secretary	\$800,000

There is a Public Employees' Faithful Performance Blanket Bond with the Selective Insurance Company covering all other employees with multiple coverage of \$50,000.

**P.L. 2020, c44**

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 of audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

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

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

**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 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.

**Payroll/Personnel**

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 Assistant Superintendent for Business/Board Secretary, and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including employee health benefit premium contribution amounts withheld due to the General Fund.

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Payroll/Personnel (Continued)

The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law for the reporting of compensation for certain employees.

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

Year-End Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered to determine 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 received for propriety and to determine that goods were received and services were rendered, as of June 30.

Travel

The Board has adopted a travel policy as required by N.J.S.A. 18A:11-12 and N.J.A.C. 6A:23A-6.13.

Board Secretary's Records

The financial records, books of account and minutes were maintained by the Board Secretary.

The Board Secretary's monthly financial reports were presented to the Board on a timely basis and were submitted to the Executive County Superintendent as prescribed by N.J.S.A. 18A:17-9 and 18A:17-36.

The prescribed contractual order system was followed.

Bids received were summarized in the minutes (N.J.S.A. 18A:18A-21).

**Finding 2022-1 (ACFR Finding 2022-001)** - Our audit of the District's general ledger and subsidiary ledgers revealed certain adjusting journal entries were required to be made to reconcile the Board records with the subsidiary records and supporting documentation. The original budget for revenues anticipated in the general fund, special revenue fund and debt service fund were not correctly posted into the budgetary accounting system.

**Recommendation** - Internal controls over financial accounting and reporting be reviewed and enhanced to ensure financial transactions are properly recorded and reported in the District's internal accounting records.

**Finding 2022-2** – Our audit of the capital projects fund revealed that the modified budget by project in the District's accounting records is not in agreement with the project balances per the audit.

**Recommendation** – The modified budget by project in the capital projects fund be in agreement with the audit balances.

**Finding 2022-3** – Our audit revealed that at June 30, 2022 the District overexpended the 2014 Capital Project Referendum by \$408,149. This referendum authorized various renovations, alterations and improvements to all Township schools.

**Recommendation** – Procedures be implemented to ensure that there are adequate resources available in the Capital Projects Fund prior to the expenditure of funds.

**Finding** – Certain budget appropriations were overexpended at June 30, 2022. This is a result of audit adjustments; therefore an audit recommendation is not warranted.

Worker's Compensation Insurance

The District has adopted a self-insurance plan for worker's compensation and the financial transactions of this account are reported in the General Fund.

During the 2021/2022 school year the District utilized PMA Group as Claims Administrator. At June 30, 2022, the Claim Administrators estimated the value of loss reserves to be \$1,804,474. In addition, the District's actuary has estimated incurred but not reported claims to be \$520,020 at June 30, 2022. These reserves have not been reduced for potential recoveries for losses which were incurred in the prior school years that exceeded the aggregate stop loss. The District's risk manager has estimated the recoverable claims to be minimal. Consequently, the financial statements have not been adjusted for any potential recoveries.

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Unemployment Compensation Insurance

The Board has adopted the direct reimbursement method. The financial transactions of this fund are reported in the General Fund.

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 Title I, II, III and IV of the Elementary and Secondary Education Act, as amended.

The audit indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Exhibit K-3 and Exhibit K-4 located in the ACFR.

Our audit 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.

I.D.E.A. Part B

Separate accounting records were maintained for each approved project. Grant application approvals and acceptance of grant funds were made by Board resolution.

T.P.A.F. Reimbursements

Our audit procedures included a test of the semi-monthly 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.

The amount of the expenditure charged to the current year's Final Reports for all federal awards for the school district to reimburse the State for the TPAF/Social Security 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.

Nonpublic State Aid

Project Completion Reports were finalized and transmitted to the State by the due date.

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$20,200. The Board has designated the Purchasing Manager as the qualified purchasing agent.

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

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**School Purchasing Programs**

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that purchases were made through the use of State contracts.

**Finding 2022-4** – Our audit of purchases and contract awards revealed the following as it related to compliance with the Public School Contracts Law and State procurement guidelines:

- Contract in excess of the bid threshold awarded through cooperative purchasing agreements were not individually approved in the Board minutes. In addition, the unit price documentation to support the amount invoiced was not available for audit.
- A contract for the excavation of playgrounds in excess of the bid threshold was not publicly bid.

**Recommendation** – Internal controls over purchasing be reviewed and enhanced to ensure that the District is in compliance with the Public School Contracts Law and State procurement guidelines.

**School Food Service**

**PUBLIC HEALTH EMERGENCY**

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus 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 Free and Reduced Price 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 (SFA's) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO). SFAs could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

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 free and reduced price meal eligible students during the emergency.

The financial transactions and statistical records of the school food services were maintained in good condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

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 number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement vouchers were timely filed, and meals claimed agreed with meal count records, as detailed on the Schedule of Meal Activity.

All vendor discounts, rebates and credits from vendors were tracked and credited to the Food Service account and reconciled to supporting documentation at least annually.

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**School Food Service (Continued)**

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

Expenses were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all school food services employees authorized by the board of education.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expense records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did exceed the monthly average expenditures.

**Finding – 2022-5** – The June 30, 2022 net cash resources exceeded the three-month average of food service expenses.

**Recommendation** – The District review the operations of its Food Service Enterprise Fund to ensure that the net cash resources does not exceed the three-month average expenses.

U.S.D.A. commodities were received and a separate inventory was maintained on a first-in, first-out basis.

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 of the ACFR entitled Enterprise Funds.

**Cultural Arts Recreation Enrichment (C.A.R.E.) Program**

Board discontinued the operations to the C.A.R.E. Program during the 2021/22 school year. The residual balances in this fund were transferred to the General Fund.

**Student Body Activities**

The Board has a policy which clearly established the regulation of student activity funds.

Cash receipts and disbursements records for the student activity funds were maintained in good condition.

**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 disabled, bilingual and low-income. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to District workpapers with exceptions. The information on the workpapers was verified with exceptions. 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.



**FRANKLIN TOWNSHIP PUBLIC SCHOOLS  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Application for State School Aid (Continued)**

The District has adequate written procedures for the recording of student enrollment data.

**Finding 2022-6** – Our audit of the District’s Application for State School Aid (ASSA) revealed that the information reported was not always in agreement with supporting workpapers and documentation for the respective categories.

**Recommendation** – Internal controls regarding the preparation of the ASSA be reviewed and enhanced to ensure that all student counts are accurately reported.

**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 exceptions. 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**

Our procedures included a review of the SDA grant agreements for consistency with recording SDA revenue, transfer of local funds from the General Fund or from the Capital Reserve Account and awarding of contracts per eligible facilities construction.

**Testing for Lead of all Drinking Water in Educational Facilities**

The school district adhered to all 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).

**Suggestions to Management**

- Continued efforts be made to collect the outstanding School Development Authority capital grants receivable.
- Outstanding checks and other reconciling items on the District’s bank reconciliations be reviewed and cleared of record.
- Prior year tuition receivables and other accounts receivables be reviewed and cleared of record.

**Acknowledgement**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS  
 FOOD SERVICE FUND  
 NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
 ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**SCHEDULE OF MEAL COUNT ACTIVITY**

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>
National School Lunch	SSO	825,830	332,858	332,858	
National School Breakfast-Severe	SSO	<u>604,194</u>	<u>243,195</u>	<u>243,195</u>	<u>          </u>
		<u><u>1,430,024</u></u>	<u><u>576,053</u></u>	<u><u>576,053</u></u>	<u><u>          </u></u>

FRANKLIN TOWNSHIP PUBLIC SCHOOLS  
 FOOD SERVICE FUND  
 NET CASH RESOURCE SCHEDULE  
 ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Food Service</u>
<b><u>Net Cash Resources:</u></b>	
<b>Current Assets</b>	
Cash & Cash Equivalent	\$ 4,262,699
Intergovernmental Receivable	616,843
Due from Other Funds	<u>11,767</u>
	4,891,309
<b>Current Liabilities</b>	
Less	
Accounts Payable	(85,470)
Unearned Revenue	<u>(45,639)</u>
<b>Net Cash Resources</b>	<b><u>\$ 4,760,200</u></b>
 <b><u>Adjusted Total Operating Expense:</u></b>	
Total Operating Expenses	\$ 5,272,984
Less Depreciation Expense	<u>(62,928)</u>
Adjusted Total Operating Expenses	<b><u>\$ 5,210,056</u></b>
<b><u>Average Monthly Operating Expense:</u></b>	<b><u>\$ 521,006</u></b>
 <b><u>Three Times Monthly Average:</u></b>	 <b><u>\$ 1,563,017</u></b>
 <b>Net Cash Resources</b>	 \$ 4,760,200
<b>Three Times Monthly Average</b>	<u>1,563,017</u>
<b>Amount Above Allowable Net Cash Resources</b>	<b><u>\$ 3,197,183</u></b>

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2021  
SCHEDULE OF AUDITED ENROLLMENTS**

	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 Register 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				
Full Day Preschool - 3 yrs	80		80					13		13						
Full Day Preschool - 4 yrs	316		316					42		42						
Full Day Kindergarten	486		486					102		102						
GRADE 1	432		432					52		52						
GRADE 2	403		403					60		60						
GRADE 3	409		409					77		77						
GRADE 4	385		385					38		38						
GRADE 5	389		389					64		65		(1)				
GRADE 6	376		376					204		204						
GRADE 7	375		375					189		187		2				
GRADE 8	397		397					195		195						
GRADE 9	513	1	513	5		(4)	513	5	515	5	(2)					
GRADE 10	437	2	437	5		(3)	437	5	431	5	6					
GRADE 11	444	2	444	2		-	446	2	447	2	(1)					
GRADE 12	440	3	440	3		-	440	3	440	3	-	-				
Subtotal	5,882	8	5,882	15		(7)	2,872	15	2,868	15	4	-				
Spec Ed - Elementary	500	-	500	-		-	31		31		-		11	8	7	1.0
Spec Ed- Middle School	254	-	254	-		-	16		16		-		8	6	6	-
Spec Ed - High School	330	-	330	3		(3)	21		21		-		41	31	30	1.0
Subtotal	1,084	-	1,084	3		(3)	68	-	68	-	-	-	60	45	43	2
Totals	6,966	8	6,966	18		(10)	2,940	15	2,936	15	4	-	60.0	45.0	43.0	2.0
Percentage Error						0.00%					0.14%	0.00%				3.33%

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2021  
SCHEDULE OF AUDITED ENROLLMENTS**

	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on ASSA	Reported on Workpapers	Errors	Sample Selected	Sample Verified	Errors
	Full Day Kindergarten	146	141	5	4	3	1	40.0	41.0	(1)	5.0	3.0
GRADE 1	186	178	8	4	3	1	58.0	57.0	1	8.0	6.0	2
GRADE 2	165	162	3	4	4	-	37.0	36.0	1	5.0	5.0	-
GRADE 3	181	183	(2)	4	3	1	62.0	58.0	4	8.0	8.0	-
GRADE 4	183	186	(3)	4	3	1	57.0	53.0	4	7.0	7.0	-
GRADE 5	170	168	2	4	2	2	29.0	26.0	3	4.0	3.0	1
GRADE 6	174	174	-	4	3	1	21	19	2	2	1	1
GRADE 7	187	173	14	5	5	-	13	13	-	2	2	-
GRADE 8	200	182	18	5	4	1	22	20	2	3	3	-
GRADE 9	223	228	(6)	5	4	1	17	16	1	2	1	1
GRADE 10	187	189	(2)	5	5	-	11	9	2	1	1	-
GRADE 11	161	172	(11)	4	4	-	15	13	2	2	2	-
GRADE 12	173	180	(7)	4	2	2	21	22	(1)	3	3	-
Subtotal	2,336	2,316	20	56	45	11	403	383	20	52	45	7
Spec Ed - Elementary	233	247	(14)	6	4	2	66	66	-	9	8	1
Spec Ed- Middle School	169	157	12	4	4	-	16	16	-	2	2	-
Spec Ed - High School	203	185	18	5	4	1	5	5	-	1	1	-
Subtotal	605	589	16	15	12	3	87	87	-	12	11	1
Special Ed - Alt Voc High	1	-	1	-	-	-	-	-	-	-	-	-
DC Regional Day Sch.	1	-	1	-	-	-	-	-	-	-	-	-
DYFS Residential Ctrs	1	-	1	-	-	-	-	-	-	-	-	-
Train Sch/Secure Care	-	-	-	-	-	-	-	-	-	-	-	-
Juvenile Detention Ctr	3.0	-	3	-	-	-	-	-	-	-	-	-
Subtotal	6	-	6	-	-	-	-	-	-	-	-	-
Totals	2,947	2,905	42	71	57	14	490	470	20	64	56	8
Percentage Error		<u>1.41%</u>			<u>19.72%</u>			<u>4.08%</u>		<u>12.50%</u>		

	Transportation			Tested	Verified	Errors
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors			
	Regular- Public Schools	4,665	4,665			
Regular - Sped.	631	631	-	8	7	1
AIL - Non-Public	709	709	-	-	-	-
Transported- Non- Public	22	22	-	1	1	-
Special Needs- Public	443	443	-	5	4	1
Totals	6,470	6,470	-	72	69	3
Percentage Error		<u>0.00%</u>			<u>4.17%</u>	

FRANKLIN TOWNSHIP PUBLIC SCHOOLS  
 APPLICATION FOR STATE SCHOOL AID  
 ENROLLMENT AS OF OCTOBER 15, 2021  
 SCHEDULE OF AUDITED ENROLLMENTS

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A as Not Low Income	Reported on Workpapers as Not Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Preschool - 3 years						
Full Day Preschool - 4 years			-			-
Full Day Kindergarten	63	57	6	13	13	-
GRADE 1	36	33	3	8	8	-
GRADE 2	27	23	4	5	5	-
GRADE 3	25	25	-	6	6	-
GRADE 4	10	10	-	2	2	-
GRADE 5	19	16	3	4	4	-
GRADE 6	8	7	1	2	2	-
GRADE 7	12	12	-	3	3	-
GRADE 8	10	9	1	2	2	-
GRADE 9	14	13	1	3	3	-
GRADE 10	8	8	-	2	2	-
GRADE 11	12	12	-	3	3	-
GRADE 12	12	11	1	2	2	-
Subtotal	<u>256</u>	<u>236</u>	<u>20</u>	<u>55</u>	<u>55</u>	<u>-</u>
Spec Ed - Elementary	12	11	1	2	2	-
Spec Ed- Middle School	4	4	-	1	1	-
Spec Ed - High School	-	-	-	-	-	-
	<u>16</u>	<u>15</u>	<u>1</u>	<u>3</u>	<u>3</u>	<u>-</u>
Totals	<u>272</u>	<u>251</u>	<u>21</u>	<u>58</u>	<u>58</u>	<u>-</u>
Percentage Error		<u>7.72%</u>			<u>0.00%</u>	

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

2021-2022 Total General Fund Expenditures per the ACFR		\$ 199,808,931
Increased by:		
Transfer from Capital Reserve to Capital Projects		3,600,000
		203,408,931
Decreased by:		
Other Financing Agreements		1,141,680
On-Behalf TPAF Pension & Social Security		31,566,466
Adjusted 2021-2022 General Fund Expenditures		\$ 170,700,785
4% of Adjusted 2021-2022 General Fund Expenditures		\$ 6,828,031
Increased by:		
Allowable Adjustments		
Unbudgeted Excess Extraordinary Aid	\$ 579,640	
Additional Nonpublic School Transportation Aid	211,990	
		791,630
Maximum Unassigned Fund Balance		\$ 7,619,661
Total General Fund - Budgetary Fund Balance at June 30, 2022		\$ 25,231,879
Decreased by:		
Year-End Encumbrances	\$ 1,577,160	
Other Restricted Fund Balances		
Emergency Reserve	1,000,000	
Capital Reserve	7,749,020	
Maintenance Reserve	2,035,331	
Unemployment Compensation Reserve	1,314,668	
Excess Surplus Designated for Subsequent Year's Budget	2,433,214	
		16,109,393
Total Unassigned Fund Balance		\$ 9,122,486
<b>Fund Balance - Excess Surplus</b>		<b>\$ 1,502,825</b>
<b><u>Recapitulation of Excess Surplus as of June 30, 2022</u></b>		
Excess Surplus- Designated for 2022/23 Budget		\$ 2,433,214
Excess Surplus- Designated for 2023/24 Budget		1,502,825
		\$ 3,936,039
Total Allowable Adjustments		\$ 791,630

**FRANKLIN TOWNSHIP PUBLIC SCHOOLS  
RECOMMENDATIONS**

**I. Administrative Practices and Procedures**

There are none.

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

It is recommended that:

- \* 1. Internal controls over financial accounting and reporting be reviewed and enhanced to ensure financial transactions are properly recorded and reported in the District's internal accounting records.
- \* 2. The modified budget by project in the capital projects fund be in agreement with the audit balances.
- 3. Procedures be implemented to ensure that there are adequate resources available in the Capital Projects Fund prior to the expenditure of funds.

**III. School Purchasing Program**

- 4. It is recommended that internal controls over purchasing be reviewed and enhanced to ensure that the District is in compliance with the Public School Contracts Law and State procurement guidelines.

**IV. School Food Services**

- 5. It is recommended that the District review the operations of its Food Service Enterprise Fund to ensure that the net cash resources does not exceed the three-month average expenses.

**V. Cultural Arts Recreation Enrichment (C.A.R.E. Program)**

There are none.

**VI. Student Body Activities**

There are none.

**VII. Application for State School Aid**

- \* 6. It is recommended that internal controls regarding the preparation of the ASSA be reviewed and enhanced to ensure that all student counts are accurately reported.

**VIII. Pupil Transportation**

There are none.

**IX. Facilities and Capital Assets**

There are none.

**X. Miscellaneous**

There are none.

**XI. Status of Prior Years' Audit Findings/Recommendations**

A review was performed on all prior years' recommendations and corrective action was taken on all, except the items denoted with an asterisk (\*).