

BOROUGH OF MADISON SCHOOL DISTRICT  
COUNTY OF MORRIS  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2022

BOROUGH OF MADISON SCHOOL DISTRICT  
COUNTY OF MORRIS  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2022  
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February 6, 2023

The Honorable President and Members  
of the Board of Education  
Borough of Madison School District  
County of Morris, NJ

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 financial statements of the Board of Education of the Borough of Madison School District in the County of Morris for the fiscal year ended June 30, 2022, and have issued our report thereon dated February 6, 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 letter does not affect our report dated February 6, 2023, on the financial statements of the Board.

We will review the status of the comments during our next audit engagement. We have already discussed these comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended for the information of the Borough of Madison School District's Board of Education, management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Man C Lee*  
\_\_\_\_\_  
Man C. Lee  
Licensed Public School Accountant #2527  
Certified Public Accountant

BOROUGH OF MADISON SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2022

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

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

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
John Griffin	Treasurer of School Monies	\$ 300,000
Danielle Mancuso	Business Administrator/Board Secretary	300,000

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 school district.

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

The data certification date does not reflect a submission date later than 60 days after the end of the enrollment period.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

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

BOROUGH OF MADISON SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account and Position Control Roster

The net salaries of employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

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

Salary withholdings were promptly remitted to the proper agencies, including health benefit withholdings due to the General Fund.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Finding 2022-001:

During our review of subsidiary ledgers for open purchase orders at June 30, 2022, it was noted that certain items were not valid or classified properly. Under the discretion of the Business Administrator, these items have been properly reclassified or cancelled.

Recommendation:

It is recommended that the District take greater care to ensure that open purchase orders are properly classified and valid.

Management's Response:

The District will take greater care when cancelling and classifying open purchase orders.

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. In addition to randomly selecting a test sample, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

BOROUGH OF MADISON SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

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 herein within the Special Revenue Section of the District's ACFR. This section of the ACFR documents the financial position pertaining to projects under Titles I, II and III of the Elementary and Secondary Education Act as amended and authorized.

The study of compliance for the E.S.E.A. did not indicate any area of noncompliance.

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 ACFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved. The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

Finding 2022-002:

The District obtained an 86% return rate of parental consent forms for the Special Education Medicaid Initiative ("SEMI") Medicaid Program, which was below the required 90%. However, as the District has made every attempt to obtain parental consent forms through follow-up letters and IEP meetings, a formal recommendation is not deemed necessary.

BOROUGH OF MADISON SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Other Special Federal and/or State Projects (Cont'd)

Finding 2022-003:

The District made budget transfers and/or amendments to the CARES Emergency Relief and the CRRSA ESSER II grant programs in excess of 10% in the Districts accounting records. However, any transfers and amendments above 10% require State approval. The District has subsequently submitted a budget amendment to the State for the CRRSA ESSER II grant, but was not able to do so for the CARES Emergency Relief grant as the grant period has ended.

Recommendation:

It is recommended that extra care be taken to ensure that all grant budget transfers and/or amendments in excess of 10% be submitted to the State for approval.

Management Response:

The District will ensure that all grant budget transfers and/or amendments in excess of 10% be submitted to the State for approval.

T.P.A.F. Reimbursement

Our audit procedures included a test of the 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 T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2022. The reimbursement form was reviewed and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

BOROUGH OF MADISON SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

b. Commencing in the fifth year after the year in which P.L. 1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000.

The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made . . . ."

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law . . . ."

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 \$20,200 for 2021-22.

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

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. General compliance was noted.

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.

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.



BOROUGH OF MADISON SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

School Food Service

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts and meal count records 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 District utilizes a food service management company (FMSC) 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 FMSC Cost Reimbursable Fixed Price contract/addendum were reviewed and audited. The FMSC contract does not include an operating results provision. No exceptions were noted. 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. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

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 nonprofit status of the School Food Service Fund. 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 FSMC did not apply for and receive a loan in accordance with the Payroll Protection Plan.

Time sheets and labor costs provided to the District from the Food Service contractor were reviewed on a test basis without exception. Payroll records were maintained on all School Food Service employees authorized by the Board of Education. No exceptions were noted.

Net cash resources did not exceed three months average expenditures.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. 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/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 policy was reviewed for uniform administration throughout the school district. 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. No exceptions were noted.

BOROUGH OF MADISON SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

School Food Service (Cont'd)

U.S.D.A. Food Distribution Program commodities (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the ACFR Schedule B-5 does separate program and non-program revenue and program and non-program cost of goods sold.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled "Proprietary Funds", Section G of the ACFR.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition, of the Student Activities records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

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, 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 workpapers with minor exceptions. The information that was included on the workpapers was verified on a test basis with one 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's written procedures for the recording of student enrollment data appear to be adequate.

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.

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. The bid specifications for the purchase of buses were in compliance with applicable statutes.

BOROUGH OF MADISON SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

Facilities and Capital Assets

The District currently has no active SDA grants.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations include requirements for the District to establish a maximum travel amount for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel must be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred. Overall compliance was noted in our testing.

Testing for Lead of All Drinking Water in Educational Facilities

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

Management Suggestions

Student Activities

As per review of the June 30th bank reconciliations, there were older reconciling items outstanding at year end. It is suggested that they be reviewed for possible cancellation.

COVID-19 Federal Funding

It is likely that the District will undergo some review of its COVID-19 federal funding if only at a desk review level by state and/or federal agencies. We strongly suggest that the District ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the District ensures that these funds are accounted for in the state account numbers designated by the NJ Department of Education and that any applicable Board policies are current with respect to federal grant requirements.

Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding the deficit balances in the High School student activities account, obtaining the required 90% return rate of parental consent forms for the SEMI Medicaid Program and student activities purchase orders not having a claimant signature have been resolved.

BOROUGH OF MADISON SCHOOL DISTRICT  
SCHEDULE OF MEAL COUNT ACTIVITY  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDER CLAIM  
ENTERPRISE FUND  
FISCAL YEAR ENDED JUNE 30, 2022

SCHEDULE OF MEAL COUNT ACTIVITY  
ENTERPRISE FUND - FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER)/UNDER CLAIM - FEDERAL

<u>Program</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
Severe School Lunch:						
Seamless Summer Option:						
September - December 2021	77,830	23,734	23,734	-0-	\$ 4.32	\$ -0-
Seamless Summer Option:						
January - June 2022	107,796	38,886	38,886	-0-	4.56	-0-
Severe School Breakfast:						
Seamless Summer Option:						
September - December 2021	8,507	1,874	1,874	-0-	2.46	-0-
Seamless Summer Option:						
January - June 2022	10,930	3,835	3,835	-0-	2.61	<u>-0-</u>
Total Net Underclaim						<u>\$ -0-</u>

BOROUGH OF MADISON SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

ENTERPRISE FUND - FOOD SERVICE - NET CASH RESOURCES SCHEDULE

**Net Cash Resources:**

<b>ACFR</b>	*	<b>Current Assets</b>		
B-4		Cash and Cash Equivalents	\$	119,558
B-4		Due from Other Governments		154,580
<b>ACFR</b>		<b>Current Liabilities</b>		
B-4		Less Accounts Payable		(60,751)
G-1		Less Unearned Revenue		(16,434)
				(16,434)
		<b>Net Cash Resources</b>	<b>\$</b>	<b>196,953</b> (A)

**Net Adjusted Total Operating Expense:**

G-2	Total Operating Expenses	\$	989,226
G-2	Less Depreciation		(26,661)
			(26,661)
	<b>Adjusted Total Operating Expenses</b>	<b>\$</b>	<b>962,565</b> (B)

**Average Monthly Operating Expense:**

	\$	96,257 (C)
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**Three times monthly Average:**

	\$	288,771 (D)
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TOTAL IN BOX A	\$	196,953 (A)
LESS TOTAL IN BOX D		288,771 (D)
NET	\$	(91,818)
From above:		
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>		
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>		

\* Inventories are not to be included in total current assets.

BOROUGH OF MADISON SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT AS OF OCTOBER 15, 2021

	2022-2023 Application for State School Aid															
	Reported on				Errors				Sample Selected from		Verified per		Errors per			
	A.S.S.A. On Roll		Workpapers On Roll		Full		Shared		Full		Shared		Full		Shared	
Half Day Preschool - 3YR	10		3		7				3				3			
Half Day Preschool - 4YR	6		5		1				5				5			
Full Day Preschool - 4YR	1		1						1				1			
Full Day Kindergarten	145		145						145				145			
Grade One	162		162						162				162			
Grade Two	126		126						126				126			
Grade Three	154		154						154				154			
Grade Four	154		154						154				154			
Grade Five	151		151						151				151			
Grade Six	154		154						154				154			
Grade Seven	164		164						164				164			
Grade Eight	156		156						156				156			
Grade Nine	148		148						148				148			
Grade Ten	189		189						189				189			
Grade Eleven	172	1	172	1					172	1			172	1		
Grade Twelve	181		181						181				181			
Subtotal	2,073	1	2,065	1	8				2,065	1			2,065	1		
Special Ed - Elementary	158		158						9				9			
Special Ed - Middle School	108		108						7				7			
Special Ed - High School	149	4	148	4	1				9				9			
Subtotal	415	4	414	4	1				25				25			
Totals	2,488	5	2,479	5	9				2,090	1			2,090	1		
Percentage Error					0.36%											0.00%

BOROUGH OF MADISON SCHOOL DISTRICT  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 SCHEDULE OF AUDITED ENROLLMENTS  
 ENROLLMENT AS OF OCTOBER 15, 2021

	Private Schools for Disabled				Resident Low Income						
	Reported on A.S.S.A. as Private Schools	Reported on Workpapers as Private Schools	Sample for Verification	Sample Verified	Sample Errors	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
Half Day Kindergarten											
Full Day Kindergarten											
Grade One						7	7				
Grade Two						7	7				
Grade Three						7	7		1	1	
Grade Four						6	6				
Grade Five						7	7				
Grade Six						14	14		2	2	
Grade Seven						8	8		1	1	
Grade Eight						8	8		1	1	
Grade Nine						13	12	1	1	1	
Grade Ten						13	14	(1)	2	2	
Grade Eleven						10	10		1	1	
Grade Twelve						16	16		2	2	
Subtotal						8	8		1	1	
						124	124		12	12	
Special Ed - Elementary	4	4	1	1		18	20	(2)	2	2	
Special Ed - Middle School	5	5	1	1		15	15		2	2	
Special Ed - High School	21	21	4	4		18	20	(2)	2	2	
Subtotal	30	30	6	6		51	55	(4)	6	6	
Totals	30	30	6	6		175	179	(4)	18	18	
Percentage Error					0.00%			-2.29%			0.00%

BOROUGH OF MADISON SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT AS OF OCTOBER 15, 2021

	Resident LEP Low Income					
	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Half Day Kindergarten						
Full Day Kindergarten	2	2				
Grade One	3	3				
Grade Two	4	4		1	1	
Grade Three	3	3				
Grade Four						
Grade Five	5	5		1	1	
Grade Six	2	2				
Grade Seven	2	2				
Grade Eight	4	4		1	1	
Grade Nine	2	2				
Grade Ten	3	3				
Grade Eleven	4	4		1	1	
Grade Twelve	4	4				
Subtotal	<u>38</u>	<u>38</u>		<u>4</u>	<u>4</u>	
Special Ed - Elementary	3	3		1	1	
Special Ed - Middle School	2	2				
Special Ed - High School	1	1				
Subtotal	<u>6</u>	<u>6</u>		<u>1</u>	<u>1</u>	
Totals	<u>44</u>	<u>44</u>		<u>5</u>	<u>5</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>



BOROUGH OF MADISON SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT AS OF OCTOBER 15, 2021

	Resident LEP Not Low Income					
	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Half Day Kindergarten						
Full Day Kindergarten	5	5		1	1	
Grade One	6	6		2	1	1
Grade Two	2	2				
Grade Three	4	4		1	1	
Grade Four	3	3		1	1	
Grade Five						
Grade Six	1	1				
Grade Seven	2	2				
Grade Eight	1	1				
Grade Nine	1	1				
Grade Ten						
Grade Eleven	1	1				
Grade Twelve	1	1				
Subtotal	<u>27</u>	<u>27</u>		<u>5</u>	<u>4</u>	<u>1</u>
Special Ed - Elementary	1	1				
Special Ed - Middle School	1	1				
Special Ed - High School						
Subtotal	<u>2</u>	<u>2</u>				
Totals	<u><u>29</u></u>	<u><u>29</u></u>		<u><u>5</u></u>	<u><u>4</u></u>	<u><u>1</u></u>
Percentage Error			<u><u>0.00%</u></u>			<u><u>20.00%</u></u>

BOROUGH OF MADISON SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2021

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	105	105		7	7	
Regular - Special Education	37	37		2	2	
Transported - Non Public	96	96		6	6	
AIL - Non Public	123	123		7	7	
Special Needs - Public	3	3		1	1	
Special Needs - Private	18	18		2	2	
Totals	382	382		25	25	
Percentage Error			0.00%			0.00%
				Reported	Re- calculated	
Average Mileage - Regular Including Grade PK Students				5.9	5.9	
Average Mileage - Regular Excluding Grade PK Students				5.9	5.9	
Average Mileage - Special Education with Special Needs				13.4	13.4	

BOROUGH OF MADISON SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2022

**REGULAR DISTRICT**

**SECTION 1**

**4% Calculation of Excess Surplus**

2021-2022 Total General Fund Expenditures per the ACFR, Ex. C-1		<u>\$ 60,450,428</u> (B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund		<u>\$ -0-</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund		<u>\$ -0-</u> (B1b)
Transfer from General Fund to SRF for PreK - Regular		<u>\$ -0-</u> (B1c)
Transfer from General Fund to SRF for PreK - Inclusion		<u>\$ -0-</u> (B1d)
Decreased by:		
On-Behalf TPAF Pension and Social Security		<u>\$ 11,596,097</u> (B2a)
Assets Acquired Under Leases and Financed Purchases		<u>\$ 264,529</u> (B2b)
Adjusted 2021-2022 General Fund Expenditures [(B)+(B1's)-(B2's)]		<u>\$ 48,589,802</u> (B3)
4% of Adjusted 2021-2022 General Fund Expenditures [(B3) times .04]		<u>\$ 1,943,592</u> (B4)
Enter Greater of (B4) or \$250,000		<u>\$ 1,943,592</u> (B5)
Increased by: Allowable Adjustments		<u>\$ 612,537</u> (K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]		<u>\$ 2,556,129</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6/30/2022 (Per ACFR Budgetary Comparison Schedule C-1)		<u>\$ 10,393,061</u> (C)
Decreased by:		
Year-End Encumbrances		<u>\$ 785,390</u> (C1)
Legally Restricted:		
Designated for Subsequent Year's Expenditures		<u>\$ -0-</u> (C2)
Excess Surplus - Designated for Subsequent Year's Expenditures		<u>\$ 500,000</u> (C3)
Other Restricted Fund Balances		<u>\$ 5,221,183</u> (C4)
Assigned - Designated for Subsequent Year's Expenditures		<u>\$ 296,325</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 3,590,163</u> (U1)

BOROUGH OF MADISON SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

**SECTION 3**

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 1,034,034 (E)

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

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ 500,000 (C3)

Restricted Excess Surplus [(E)] \$ 1,034,034 (E)

Total Excess Surplus [(C3)+(E)] \$ 1,534,034 (D)

**Detail of Allowable Adjustments**

Impact Aid \$ -0- (H)

Sale & Lease-back \$ -0- (I)

Extraordinary Aid \$ 612,448 (J1)

Additional Nonpublic School Transportation Aid \$ 89 (J2)

Current Year School Bus Advertising Revenue Realized \$ -0- (J3)

Family Crisis Transportation Aid \$ -0- (J4)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)] \$ 612,537 (K)

**Detail of Other Restricted Fund Balances**

Statutory Restrictions:

Approved Unspent Separate Proposal \$ -0-

Sale/Lease-back Reserve \$ -0-

Capital Reserve \$ 3,675,599

Maintenance Reserve \$ 1,266,795

Emergency Reserve \$ -0-

Tuition Reserve \$ -0-

Unemployment Compensation \$ 278,789

School Bus Advertising 50% Fuel Offset Reserve - Current Year \$ -0-

School Bus Advertising 50% Fuel Offset Reserve - Prior Year \$ -0-

Impact Aid General Fund Reserve (Sections 8002 and 8003) \$ -0-

Impact Aid General Fund Reserve (Sections 8007 and 8008) \$ -0-

Other State/Government Mandated Reserve \$ -0-

Other Restricted Fund Balances Not Noted Above \$ -0-

Total Other Restricted Fund Balances \$ 5,221,183 (C4)

BOROUGH OF MADISON SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2022

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

2022-001: The District take greater care to ensure that open purchase orders are properly classified and valid.

2022-003: Extra care be taken to ensure that all grant budget transfers and/or amendments in excess of 10% be submitted to the State for approval.

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Travel Expense and Reimbursement Policy

None

10. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding the deficit balances in the High School student activities account, obtaining the required 90% return rate of parental consent forms for the SEMI Medicaid Program and student activities purchase orders not having a claimant signature have been resolved.