

**AUDITORS MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
SCHOOL DISTRICT OF THE
TOWNSHIP OF OCEAN
COUNTY OF MONMOUTH, NEW JERSEY
JUNE 30, 2022**

SCHOOL DISTRICT OF THE TOWNSHIP OF OCEAN
COUNTY OF MONMOUTH, NEW JERSEY

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

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REPORT OF INDEPENDENT AUDITORS

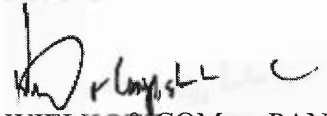
Honorable President and
Members of the Board of Education
Township of Ocean School District
County of Monmouth, New Jersey

We have audited, in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Township of Ocean School District in the County of Monmouth for the year ended June 30, 2022, and have issued our report thereon dated February 8, 2023.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

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


Steven D. Wielkocz, C.P.A.
Licensed Public School Accountant
No. 816


WIELKOTZ COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

February 8, 2023



**ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING**

GENERAL COMMENTS

Scope of Audit

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

Administrative Practices and Procedures

Insurance

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

Officials Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Robert A. Williams	Treasurer of School Monies	\$375,000

There is a Public Employees' Dishonesty with Faithful Performance Blanket Position Bond with the New Jersey Schools Insurance Group covering all other employees with multiple coverage of \$1,000,000.

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 school district.

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

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.

Payroll Account

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

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

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

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

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

Position Control Roster

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

Reserve for Encumbrances and Accounts Payable

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

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, a transaction error rate of 0% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Financial Planning, Accounting and Reporting, (continued)

Board Secretary's Records

The Board Secretary's records were found to be in good order.

Fixed Assets

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

Treasurer's Records

The Treasurer's records were found to be in good order.

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 and Title II of the Elementary and Secondary Education Act as amended.

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

Other Special Federal and/or State Projects

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

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

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

The study of compliance for the special projects indicated no areas of noncompliance.

T.P.A.F. Reimbursement

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

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

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments 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 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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

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

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

Effective July 1, 2015 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agency) and \$29,000 (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 of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

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 contract or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

School Food Service

COVID-19 Emergency

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency, all Public, Charter, Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternative procedures to provide meals to Free and Reduced Price eligible students during the period of school closures. 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 waiver.

As a result, School Food Service Activities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO). 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 through the age of 18 as well as persons over 18 with disabilities as defined in the regulations.

The school food service program was selected as a major federal program. The financial transactions and statistical records of the food service fund were reviewed. The financial accounts, meal counts records were reviewed on a test-check basis. Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

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 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 \$45,000. The operating results provision has been met.

We also inquired of school management personnel as to whether the SFA's expenditures of school food service revenues were limited to direct and indirect costs. No exceptions were noted.

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

We also 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; modifications 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.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Exhibit G of the ACFR.

Student Body Activities

A cash receipts and disbursements record was maintained in satisfactory 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 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 workpapers 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.

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

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

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action had been taken on all prior year findings.

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.

Respectfully submitted,



Steven D. Wielkotz, C.P.A.
Public School Accountant



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

SCHEDULE OF MEAL COUNT ACTIVITY

**TOWNSHIP OF OCEAN SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIMED - FEDERAL
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
National School Lunch (Regular Rate)	Paid					0.350	\$
National School Lunch (Regular Rate)	Reduced					3.260	
National School Lunch SNACKS	Free	7,813	7,813	7,813		1.000	
National School Lunch (Regular Rate)	SSO	169,422	169,422	169,422		4.3175	
National School Lunch (Regular Rate)	SSO	<u>228,196</u>	<u>228,196</u>	<u>228,196</u>		4.5625	
	Total	<u>405,431</u>	<u>405,431</u>	<u>405,431</u>			
National School Lunch (Regular Rate)	HHFKA					0.070	
National School Breakfast (Regular Rate)	Paid					0.330	\$
National School Breakfast (Regular Rate)	Reduced					1.670	
National School Breakfast (Regular Rate)	Free					1.970	
National School Breakfast (Regular Rate)	SSO	85,991	85,991	85,991		2.4625	
National School Breakfast (Regular Rate)	SSO	<u>105,297</u>	<u>105,297</u>	<u>105,297</u>		2.6050	
	Total	<u>191,288</u>	<u>191,288</u>	<u>191,288</u>			
Total (Over)/Under Claim							\$ <u><u> </u></u>

Source: Edit Check Worksheets

SCHEDULE OF MEAL COUNT ACTIVITY

**TOWNSHIP OF OCEAN SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIMED - STATE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid					0.100	\$
State Reimbursement - National School Lunch (Regular Rate)	Reduced					0.105	
State Reimbursement - National School Lunch (Regular Rate)	Free					0.105	
State Reimbursement - National School Lunch (Regular Rate)	SSO	<u>397,618</u>	<u>397,618</u>	<u>397,618</u>	<u> </u>	0.105	<u> </u>
	Total	<u>397,618</u>	<u>397,618</u>	<u>397,618</u>	<u> </u>		<u> </u>
Total (Over)/Under Claim							\$ <u> </u>

Source: Edit Check Worksheets

TOWNSHIP OF OCEAN, NEW JERSEY SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

SCHEDULE OF AUDITED ENROLLMENTS

	2021-2022 Application for State School Aid				Sample for Verification				Private Schools for Disabled						
	Reported on A.S.S.A. On Roll		Workpapers		Errors		Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Sample Verification	Sample Verified	
Full Day Pre-K 3 Yr	66	-	-	-	66	-	-	-	66	-	-	-	-	-	
Full Day Pre-K 4 Yr	63	-	-	-	63	-	-	-	63	-	-	-	-	-	
Full Day Kindergarten	210	-	-	-	210	-	-	-	210	-	-	-	-	-	
One	192	-	-	-	192	-	-	-	192	-	-	-	-	-	
Two	200	-	-	-	200	-	-	-	200	-	-	-	-	-	
Three	178	-	-	-	178	-	-	-	178	-	-	-	-	-	
Four	194	-	-	-	194	-	-	-	194	-	-	-	-	-	
Five	181	-	-	-	181	-	-	-	181	-	-	-	-	-	
Six	173	-	-	-	173	-	-	-	173	-	-	-	-	-	
Seven	194	-	-	-	194	-	-	-	194	-	-	-	-	-	
Eight	188	-	-	-	188	-	-	-	188	-	-	-	-	-	
Nine	197	-	-	-	197	-	-	-	197	-	-	-	-	-	
Ten	195	-	-	-	195	-	-	-	195	-	-	-	-	-	
Eleven	195	13	-	-	195	13	-	-	195	13	-	-	-	-	
Twelve	193	5	-	-	193	5	-	-	193	5	-	-	-	-	
Subtotal	2,619	18	-	-	2,619	18	-	-	2,619	18	-	-	-	-	
Special Ed - Elementary	229	-	-	-	78	-	-	-	78	-	-	-	15	13	
Special Ed - Middle School	164	-	-	-	56	-	-	-	56	-	-	-	10	9	
Special Ed - High School	184	26	-	-	63	26	-	-	63	26	-	-	14	12	
Subtotal	577	26	-	-	197	26	-	-	197	26	-	-	39	34	
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Totals	3,196	44	-	-	2,816	44	-	-	2,816	44	-	-	39	34	
Percentage Error			0.00%				0.00%								0.00%

TOWNSHIP OF OCEAN, NEW JERSEY SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

SCHEDULE OF AUDITED ENROLLMENTS

	Resident 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 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
Full Day Pre-K 3 Yr.	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Pre-K 4 Yr.	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	45	45	-	14	14	-	15	15	-	11	11	-
One	39	39	-	12	12	-	13	13	-	8	8	-
Two	52	5	-	16	16	-	16	16	-	11	11	-
Three	45	45	-	14	14	-	19	19	-	13	13	-
Four	53	53	-	16	16	-	15	15	-	12	12	-
Five	40	40	-	12	12	-	5	5	-	2	2	-
Six	34	34	-	10	10	-	2	2	-	1	1	-
Seven	55	55	-	17	17	-	3	3	-	2	2	-
Eight	35	35	-	11	11	-	5	5	-	1	1	-
Nine	38	38	-	12	12	-	4	4	-	2	2	-
Ten	39	39	-	12	12	-	4	4	-	2	2	-
Eleven	34	34	-	10	10	-	5	5	-	5	5	-
Twelve	27	27	-	8	8	-	4	4	-	3	3	-
Subtotal	536	536	-	164	164	-	107	107	-	76	76	-

Special Ed - Elementary	101	101	-	30	30	-	9	9	-	4	4	-
Special Ed - Middle	64	64	-	19	19	-	6	6	-	2	2	-
Special Ed - High	62	62	-	19	19	-	3	3	-	3	3	-
Subtotal	227	227	-	68	68	-	18	18	-	9	9	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	762	762	-	232	232	-	125	125	-	85	85	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

Transportation

	Reported on DKTRS by DOE/County		Reported on DKTRS by District		Errors		Verified	
	Reported	Errors	Reported	Errors	Tested	Verified	Tested	Verified
Reg. - Public Schools, col. 1	1,071	0	1,071	0	254	254	0	0
Reg-SpEd, col. 4	385	0	385	0	185	185	0	0
Transported - Non-Public, col. 2	312	0	312	0	150	150	0	0
Special Ed Spec Need, col. 6	176	0	176	0	109	109	0	0
Totals	1,944	0	1,944	0	698	698	0	0
Percentage Error		0.00%		0.00%				

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

Reported 3.5
 Recalculated 3.5
 Reported 3.2
 Recalculated 3.2

TOWNSHIP OF OCEAN, NEW JERSEY SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

SCHEDULE OF AUDITED ENROLLMENTS

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Pre-K 3 Yr	-	-	-	-	-	-
Full Day Pre-K 4 Yr	-	-	-	-	-	-
Full Day Kindergarten	11	11	-	10	10	-
Ono	6	6	-	7	7	-
Two	9	9	-	6	6	-
Three	5	5	-	5	5	-
Four	4	4	-	4	4	-
Five	5	5	-	4	4	-
Six	3	3	-	3	3	-
Seven	1	1	-	1	1	-
Eight	5	5	-	5	5	-
Nine	10	10	-	8	8	-
Ten	6	6	-	4	4	-
Eleven	11	11	-	4	4	-
Twelve	83	83	-	65	65	-
Subtotal						
Special Ed - Elementary	3	3	-	3	3	-
Special Ed - Middle	2	2	-	-	-	-
Special Ed - High	2	2	-	-	-	-
Subtotal	7	7	-	3	3	-
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-
Totals	90	90	-	68	68	-
Percentage Error			0.00%			0.00%

OCEAN TOWNSHIP, NEW JERSEY SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2021-22 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>91,348,730</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ (B1b)
Transfer from General Fund to SRF for PreK - Regular	\$ _____ (B1c)
Transfer from General Fund to SRF for PreK - Inclusion	\$ _____ (B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>17,363,652</u> (B2a)
Assets Acquired Under Capital Leases	\$ _____ (B2b)
Adjusted 21-22 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ <u>73,985,078</u> (B3)
2% of Adjusted 2021-22 General Fund Expenditures [(B3) times .02]	\$ <u>1,479,702</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>1,479,702</u> (B5)
Increased by: Allowable Adjustment*	\$ <u>461,641</u> (K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ <u>1,941,343</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-22 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>18,083,412</u> (C)
Decreased by:	
Year End Encumbrances	\$ <u>878,518</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____ (C2)
Legally Restricted Excess Surplus - Designated for Designated for Subsequent Year's Expenditures**	\$ <u>3,684,791</u> (C3)
Other Restricted Fund Balances****	\$ <u>7,757,679</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ _____ (C5)
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures July 1, 2021 - August 1, 2021	\$ _____ (C6)
Total Unreserved/Undesignated Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ <u>5,762,424</u> (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus***[(U1)-(M)] IF NEGATIVE ENTER -0-	\$ <u>3,821,081.00</u> (E)
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Recapitulation of Excess Surplus as of June 30, 2022

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>3,684,791</u> (C3)
Reserved Excess Surplus***[(E)]	\$ <u>3,821,081</u> (E)
Total Excess Surplus [(C3)+(E)]	\$ <u>7,505,872</u> (D)

Footnotes:

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

(H) Federal Impact Aid. The passage of P.L. 2015, c. 46 amended N.J.S.A. 18A:7-F-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, effective for the year ending June 30, 2016 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), Extraordinary Aid;
- (J1) Extraordinary Aid;
- (J1) Additional Nonpublic School Transportation Aid
- (J3) Current Year School Bus Advertising Revenue Recognized
- (J4) Family Crisis Transportation Aid.

Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$ _____ (H)
Sale & Lease-back	\$ _____ (I)
Extraordinary Aid	\$ 345,660 (J1)
Additional Nonpublic School Transportation Aid	\$ 115,981 (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ (J3)
Family Crisis Transportation Aid	\$ _____ (J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ <u>461,641</u> (K)

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

*** Amounts must agree to the June 30, 2022 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 90030.

**** Amount of Other Reserved Fund Balance 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 an 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.

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$ _____
Sale/lease-back reserve	\$ _____
Capital reserve	\$ 5,409,912
Maintenance reserve	\$ 1,750,000
Emergency reserve	\$ _____
Tuition reserve	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ _____
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ _____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ _____
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$ _____
Other state/government mandated reserve	\$ _____
Reserve for Unemployment Fund	\$ 597,767
[Other Restricted Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ <u>7,757,679</u> (C4)

**TOWNSHIP OF OCEAN BOARD OF EDUCATION
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Recommendations:

1. Administrative Practices and Reporting

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

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. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was take on all prior year findings, except those noted with a n“*““.