

**TUCKERTON BOARD OF EDUCATION**

**AUDITOR'S MANAGEMENT REPORT**

**COUNTY OF OCEAN**

**JUNE 30, 2022**

**Robert A. Hulsart & Company  
Certified Public Accountants  
2807 Hurley Pond Road, Suite 100  
Wall, New Jersey 07719**

**AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS**

**FINANCIAL, COMPLIANCE AND PERFORMANCE**

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Robert A. Hulsart and Company  
CERTIFIED PUBLIC ACCOUNTANTS

1.

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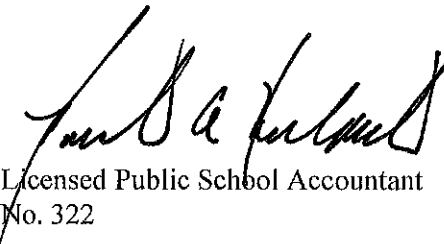
**REPORT OF INDEPENDENT AUDITORS**

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

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the general purpose financial statements of the Board of Education of the Tuckerton School District in the County of Ocean for the year ended June 30, 2022, and have issued our report thereon dated February 15, 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 Tuckerton 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.



Licensed Public School Accountant  
No. 322

ROBERT A. HULSART AND COMPANY

February 15, 2023

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

### **Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, 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 district's ACFR.

#### **Officials Bonds**

| <b><u>Name</u></b> | <b><u>Position</u></b>                      | <b><u>Amount</u></b> |
|--------------------|---|----------------------|
| Marian Smith       | School Business Administrator/<br>Treasurer | \$180,000            |

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

#### **Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment to the billings to sending districts for the 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 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 Net 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 Board in the bill lists in the minute records and were certified by the Board Secretary/School Business Administrator and the Superintendent.

Salary withholdings were promptly remitted to the proper agencies.

### **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. No exceptions were noted.

### **Board Secretary's Records**

Our review of the financial and accounting records maintained by the Board Secretary disclosed no reportable conditions

### **Treasurer's Records**

The Treasurer's records were in agreement with the records of the Board Secretary at year end.

The Treasurer's cash balance for the general operating account was in agreement with the reconciled cash balance as determined during the audit.

### **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(g) as part of our test of transaction 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-2.4. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

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

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.

### **Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001**

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 projects under Title I and Title IIA of the E.S.E.A.

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.

### **School Purchasing Programs**

#### **Contracts and Agreements Requiring Advertisement for Bids**

The bid thresholds in accordance with *N.J.S.A. 18A:18A-2* and *18A: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 \$19,600 for 2021-22.

The District 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.

Based on the results of our examination, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A. 18A:18A-4*.

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

### **School Food Service Fund**

The District, in 2012-2013 entered into an agreement with the Pinelands Regional School District to operate its food service operations.

Pinelands Regional School District will operate the food service on a profit and loss basis. The Tuckerton Board of Education shall be entitled to all profits derived from the operations. The Tuckerton Board of Education shall reimburse Pinelands Regional for any documented losses resulting from the food service operation.

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

### **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 districts written procedures appear to be adequate 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.

### **Follow-Up on Prior Year's Findings**

None Reported.

### **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 staff.

**4% Calculation of Excess Surplus**

|  |                     |
|--|---------------------|
| 2021-22 Total General Fund Expenditures Per the ACFR               | \$ 7,014,931        |
| Decreased by:  |                     |
| On-Behalf TPAF Pension & Social Security                           | <u>(1,386,548)</u>  |
| Adjusted 2021-22 General Fund Expenditures                         | <u>\$ 5,628,383</u> |
| 4% of Adjusted 2021-22 General Fund Expenditures                   | <u>\$ 225,135</u>   |
| Minimum Allowed  | \$ 250,000          |
| Increased by Allowable Adjustment                                  | <u>55,022</u>       |
| Maximum Unassigned Fund Balance                                    | <u>\$ 305,022</u>   |
| Total General Fund – Fund Balance @ 6-30-22                        | \$ 2,071,245        |
| Decreased by:  |                     |
| Reserved for Encumbrances  | 38,514              |
| Unemployment Compensation  | 33,233              |
| Designated for Subsequent Years Expenditures – Excess Surplus      | 159,043             |
| Designated for Subsequent Years Expenditures                       | 870                 |
| Designated for Subsequent Years Expenditures – Maintenance         |                     |
| Reserve Withdrawal   | 60,000              |
| Reserves   | <u>1,474,563</u>    |
| Total Unassigned Fund Balance                                      | <u>\$ 305,022</u>   |
| Maximum Unassigned Fund Balance                                    | <u>\$ 250,870</u>   |
| Reserved Fund Balance – Excess Surplus                             | <u>\$ 54,152</u>    |
| <b><u>Recapitulation of Excess Surplus as of June 30, 2022</u></b> |                     |
| Reserved Fund Balance – Excess Surplus                             | \$                  |
| Designated for Subsequent Years Expenditures – Excess Surplus      | <u>159,043</u>      |
|  | <u>\$ 159,043</u>   |
| <b><u>Detail of Reserves</u></b>                                   |                     |
| Capital Reserve  | \$ 1,100,559        |
| Maintenance Reserve  | <u>374,004</u>      |
|  | <u>\$ 1,474,563</u> |
| <b><u>Detail of Allowable Adjustments</u></b>                      |                     |
| Extraordinary Aid  | \$ 51,252           |
| Non-Public Transportation Aid                                      | <u>3,770</u>        |
|  | <u>\$ 55,022</u>    |



**TUCKERTON SCHOOL DISTRICT**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2021**

|                               | 2022-2023 Application for State School Aid |                    |             |        |        |        | Sample for Verification |        |              |        |                      |        | Private Schools for Handicapped |              |          |        |    |
|-------------------------------|--|--------------------|-------------|--------|--------|--------|-------------------------|--------|--------------|--------|----------------------|--------|---------------------------------|--------------|----------|--------|----|
|                               | Reported On                                |                    | Reported on |        | Errors |        | Sample Selected         |        | Verified Per |        | Errors Per Registers |        | Reported On                     | Sample for   | Sample   | Sample |    |
|                               | A.S.S.A. on Roll                           | Workpapers on Roll | Full        | Shared | Full   | Shared | Full                    | Shared | Full         | Shared | Full                 | Shared | A.S.S.A. as                     | Verification | Verified | Errors |    |
| Full Day Preschool - 3yrs Old | 14   |                    | 14          |        |        |        | 14                      |        | 14           |        |                      |        |                                 |              |          |        |    |
| Full Day Preschool - 4yrs Old | 27   |                    | 27          |        |        |        | 27                      |        | 27           |        |                      |        |                                 |              |          |        |    |
| Full Day Kindergarten         | 35   |                    | 35          |        |        |        | 35                      |        | 35           |        |                      |        |                                 |              |          |        |    |
| One                           | 31   |                    | 31          |        |        |        | 31                      |        | 31           |        |                      |        |                                 |              |          |        |    |
| Two                           | 41   |                    | 41          |        |        |        | 41                      |        | 41           |        |                      |        |                                 |              |          |        |    |
| Three                         | 30   |                    | 30          |        |        |        | 30                      |        | 30           |        |                      |        |                                 |              |          |        |    |
| Four                          | 25   |                    | 25          |        |        |        | 25                      |        | 25           |        |                      |        |                                 |              |          |        |    |
| Five                          | 31   |                    | 31          |        |        |        | 31                      |        | 31           |        |                      |        |                                 |              |          |        |    |
| Six                           | 35   |                    | 35          |        |        |        | 35                      |        | 35           |        |                      |        |                                 |              |          |        |    |
| Seven                         |  |                    |             |        |        |        |                         |        |              |        |                      |        |                                 |              |          |        |    |
| Eight                         |  |                    |             |        |        |        |                         |        |              |        |                      |        |                                 |              |          |        |    |
| Subtotal                      | 269  | 0                  | 269         | 0      | 0      | 0      | 269                     | 0      | 269          | 0      | 0                    | 0      | 0                               | 0            | 0        | 0      | 0  |
| Special Ed. - Elementary      | 30   |                    | 30          |        |        |        | 30                      |        | 30           |        |                      |        | 1                               | 1            | 1        |        |    |
| Special Ed. - Middle School   | 3  |                    | 3           |        |        |        | 3                       |        | 3            |        |                      |        |                                 |              |          |        |    |
| Special Ed. - High School     |  |                    |             |        |        |        |                         |        |              |        |                      |        |                                 |              |          |        |    |
| Subtotal                      | 33   | 0                  | 33          | 0      | 0      | 0      | 33                      | 0      | 33           | 0      | 0                    | 0      | 1                               | 1            | 1        | 0      | 0  |
| Co. Voc. - Regular            |  |                    |             |        |        |        |                         |        |              |        |                      |        |                                 |              |          |        |    |
| Co. Voc. - Ft. Post Sec.      |  |                    |             |        |        |        |                         |        |              |        |                      |        |                                 |              |          |        |    |
| Totals                        | 302  | 0                  | 302         | 0      | 0      | 0      | 302                     | 0      | 302          | 0      | 0                    | 0      | 1                               | 1            | 1        | 0      | 0  |
| Percentage Error              |  |                    |             |        | 0%     | 0%     |                         |        |              |        | 0%                   | 0%     |                                 |              |          |        | 0% |

TUCKERTON SCHOOL DISTRICT

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2021

|                             | 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 Preschool - 4yrs          | 4                                    | 4      |                                 | 4                                    | 4             |  |  |        |                                 |                                     |               |
| Full Day Preschool - 3yrs   | 12                                 | 12                                   |        | 12                              | 12                                   |               |  |  |        |                                 |                                     |               |
| Full Day Kindergarten       | 14                                 | 14                                   |        | 14                              | 14                                   |               |  |  |        |                                 |                                     |               |
| One                         | 10                                 | 10                                   |        | 10                              | 10                                   |               |  |  |        |                                 |                                     |               |
| Two                         | 15                                 | 15                                   |        | 15                              | 15                                   |               | 1                                      | 1  |        | 1                               | 1                                   |               |
| Three                       | 13                                 | 13                                   |        | 13                              | 13                                   |               | 1                                      | 1  |        | 1                               | 1                                   |               |
| Four                        | 6                                  | 6                                    |        | 6                               | 6                                    |               |  |  |        |                                 |                                     |               |
| Five                        | 7                                  | 7                                    |        | 7                               | 7                                    |               |  |  |        |                                 |                                     |               |
| Six                         | 7                                  | 7                                    |        | 7                               | 7                                    |               |  |  |        |                                 |                                     |               |
| Subtotal                    | 88                                 | 88                                   | 0      | 88                              | 88                                   | 0             | 2                                      | 2  | 0      | 2                               | 2                                   | 0             |
| Special Ed. - Elementary    | 11                                 | 11                                   |        | 11                              | 11                                   |               | 1                                      | 1  |        | 1                               | 1                                   |               |
| Special Ed. - Middle School | 3                                  | 3                                    |        | 3                               | 3                                    |               |  |  |        |                                 |                                     |               |
| Special Ed. - High School   |                                    |                                      |        |                                 |                                      |               |  |  |        |                                 |                                     |               |
| Subtotal                    | 14                                 | 14                                   | 0      | 14                              | 14                                   | 0             | 1                                      | 1  | 0      | 1                               | 1                                   | 0             |
| Totals                      | 102                                | 102                                  | 0      | 102                             | 102                                  | 0             | 3                                      | 3  | 0      | 3                               | 3                                   | 0             |
| Percentage Error            |                                    |                                      | 0%     |                                 |                                      | 0%            |  |  | 0%     |                                 |                                     | 0%            |

|                  | Resident LEP Not Low Income            |  |        | Sample for Verification         |                                     |               |
|------------------|--|--|--------|---------------------------------|-------------------------------------|---------------|
|                  | 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 |
|                  | Two                                    | 1  | 1      |                                 | 1                                   | 1             |
| Three            | 1                                      | 1  |        | 1                               | 1                                   |               |
|                  | 2                                      | 2  | 0      | 2                               | 2                                   | 0             |
| Percentage Error |  |  | 0%     |                                 |                                     | 0%            |

Transportation

|                                | Reported on DRTRS by DOE | Reported on DRTRS by District | Errors | Tested | Verified | Errors | Reported   | Recalculated                                       |
|--------------------------------|--------------------------|-------------------------------|--------|--------|----------|--------|--|--|
|                                | Reg. - Public Schools    | 6                             | 6      |        | 6        | 6      |  | Avg. Mileage - Regular Including Grade PK Students |
| Reg. - Special Ed.             | 12                       | 12                            |        | 12     | 12       |        | Avg. Mileage - Regular Excluding Grade PK Students | 5.6  |
| Transported - Non-Public       |                          |                               |        |        |          |        | Avg. Mileage - Special Ed. With Special Needs      | 7.0  |
| Regular Ed. With Special Needs | 6                        | 6                             |        | 6      | 6        |        |  |  |
| Totals                         | 24                       | 24                            | 0      | 24     | 24       | 0      |  |  |
| Percentage Error               |                          |                               | 0%     |        |          | 0%     |  |  |

**TUCKERTON SCHOOL DISTRICT**  
**AUDIT RECOMMENDATIONS SUMMARY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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Recommendations:

1. Administrative Practices and Procedures  
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  
There were no prior year recommendations.