

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
COUNTY OF WARREN  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
COUNTY OF WARREN  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
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January 10, 2024

The Honorable President and Members  
of the Board of Education  
Allamuchy Township School District  
County of Warren, New Jersey

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 Allamuchy Township School District in the County of Warren for the fiscal year ended June 30, 2023, and have issued our report thereon dated January 10, 2024.

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 January 10, 2024, 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, recommendations 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 and suggestions.

This report is intended for the information of the Allamuchy Township School District's 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

*John J. Mooney*  
\_\_\_\_\_  
John J. Mooney  
Licensed Public School Accountant #2602  
Certified Public Accountant

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023

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, 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>
Danielle Tarvin (To June 30, 2023)	Business Administrator/Board Secretary	\$180,000
Louis Caruso (From June 19, 2023)	Business Administrator/Board Secretary	\$180,000

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 or charter school.

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

The original data submission did not require significant revision due to errors or omissions on the part of the District.

Tuition Charges

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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 except as noted below.

Finding: 2023-001

During our review of purchase orders, we noted that some purchases order did not contain all the required signatures.

Recommendation:

It is recommended that the District contains all required signatures on all purchase orders.

Management's Response:

The District will ensure that all purchase orders contain all required signatures.

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 certified by the President of the Board and the School Business Administrator, and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits 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.

Finding: 2023-002

During our review of the District's records, it was noted that an analysis of the Payroll Agency balance owed to various agencies is not prepared.

Recommendation:

It is recommended that the District prepare and maintain an analysis of the Payroll Agency balance.

Management's Response:

The District will prepare and maintain an analysis of the Payroll Agency balance.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A: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 testing procedures. In addition to randomly selecting as 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.

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 the following comments.

Finding: 2023-003

There were several line items within the General Fund budget that were over-expended as of June 30, 2023. These over-expenditures mainly arose as a result of recording receipts as refunds to various expenditure accounts instead of General Fund recording these receipts in the proper revenue line. Budget transfers were made from these accounts because it appeared there was an excess of funds remaining.

Recommendation:

It is recommended that greater care be taken when monitoring the budget and recording daily transactions to ensure that appropriation lines are not over-expended.

Management's Response:

The District will ensure that the budget and recording daily transactions are monitored to prevent appropriation line over-expenditures.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Board Secretary's Records (Cont')

Finding: 2023-004

During our review of the District's records, it was noted that Rutherford Hall has a large negative cash deficit and a large deficit fund balance.

Recommendation:

It is recommended that greater care is taken in monitoring expenditures to ensure cash deficits in the Rutherford Hall Enterprise Fund do not occur and a corrective Action Plan should be implemented to address the deficit in net position.

Management's Response:

The District will take greater care in monitoring expenditures to ensure cash deficits in the Rutherford Hall Enterprise Fund do not occur and a corrective Action Plan will be implemented to address the deficit in net position.

Finding: 2023-005

During our review of the District's records, it was noted that the General Fund unassigned fund balance was a deficit balance.

Recommendation:

It is recommended that greater care be taken when preparing the budget and appropriations be monitored on a monthly basis to prevent a deficit in fund balance.

Management's Response:

The District will take greater care to prevent a deficit fund balance.

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 the following comment.

Finding: 2023-006

During our review of the District's records, it was noted that bank reconciliations for all accounts were not completed in a timely manner.

Recommendation:

It is recommended that the bank reconciliations be completed in a timely manner.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Treasurer's Records (Cont'd)

Management's Response:

The District will ensure bank reconciliations are done in a timely manner.

Finding: 2023-007

During our review of the District's records, it was noted that treasurer reports are not supported by bank reconciliations.

Recommendation:

It is recommended that the monthly treasurer's report is supported by bank reconciliations.

Management's Response:

The District will ensure the treasurer's report is supported by monthly bank reconciliations.

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 District's ACFR. This section of the ACFR documents the financial position pertaining to projects under Titles I, II and IV of the Elementary and Secondary Education Act as amended and reauthorized.

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

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly 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, 2023. The reimbursement form was reviewed, and it was noted that salaries were not accurately reported. The business administrator has taken the necessary steps to revise and resubmit the reimbursement form. No formal recommendation is warranted.

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.



ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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

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

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.

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 . . ."

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

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 2022-23.

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.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

School Purchasing Programs (Cont'd)

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

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.

Finding: 2023-008

During our review of the District's records, it was noted that the District exceeded the bid threshold to certain vendors and did not go through the proper bid process.

Recommendation:

It is recommended that the District go through the proper bid process for all vendors that are going to exceed the bid threshold.

Management's Response:

The District will ensure the proper bidding process will be followed for any vendor who will exceed the bid threshold.

School Food Service

The school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or the appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. 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.

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

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Student Activity 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 enrollments and related services reported in the October 15, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bilingual and low income. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with exceptions. The information that was included on the workpapers was verified on a test basis with exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Finding: 2023-009

During our review of the District's records, it was noted that the reported amounts on the ASSA summary did not agree to the on-roll registers.

Recommendation:

It is recommended that the District take greater care when preparing the ASSA summary to ensure the reported students agree to the on-roll registers.

Management's Response:

The District will ensure greater care is taken when preparing the ASSA.

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 2022-2023 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. No exceptions were noted in our review of transportation related purchases of goods and services.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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 require the District to establish a maximum travel for the year and to ensure that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and that the approval must be itemized by event, event total cost, and individuals attending.

Facilities and Capital Assets

There were no School Development Authority (SDA) projects for the fiscal year ended June 30, 2023.

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

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.

Reconciling Food Service Management Contractor's Operating Statement with District Records

It is suggested that the District reconcile the revenue and expenses per the Food Service Management Contractor's Operating Statement with the District's records on a monthly basis.

Federal Grant Receivables

It is suggested that federal grant requests for reimbursement are submitted on a regular basis to ensure timely collection, to lessen the impact on cash flow and to ensure full compliance with federal cash management requirements.

Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding purchases orders being charged to the correct appropriation account has been corrected. The prior year recommendations regarding bank reconciliations, Payroll Agency analysis of balance, over-expenditures of the General Fund budget, and Rutherford Hall have not been resolved and are included as current year recommendations.

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2022

	2023-2024 Application for State School Aid						Sample for Verification							
	Reported on		Reported on		Errors		Sample		Verified per		Registers		Errors	
	On Roll	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years Old	6		11		(5)		6		15		(9)			
Full Day Preschool 3 Years Old	1				1		1				1			
Half Day Preschool 4 Years Old	1		17		(16)		1		18		(17)			
Full Day Preschool 4 Years Old	12				12		12				12			
Full Day Kindergarten	37		37				37		33		4			
Grade One	37		37				37		44		(7)			
Grade Two	41		41				41		27		14			
Grade Three	27		27				27		38		(11)			
Grade Four	38		38				38		43		(5)			
Grade Five	44		44				44		35		9			
Grade Six	36		36				36		48		(12)			
Grade Seven	48		48				48		29		19			
Grade Eight	26		26				26		35		(9)			
Subtotal	354		362		(8)		354		365		(11)			
Special Education:														
Elementary	44		44				4		3		1			
Middle	20		20				2		1		1			
Subtotal	64		64				6		4		2			
Totals	418		426		(8)		360		369		(9)			
Percentage Error					-1.88%						-2.44%			0.00%

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2022

	Private Schools for Disabled					Resident Low Income					
	Reported on ASOA as Private Schools	Workpapers as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on ASOA as Low Income	Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten						2	2				
Grade One						2	3	1	1	1	1
Grade Two						3	3		1	1	1
Grade Three						1	1				
Grade Four						5	6	1	1	1	1
Grade Five						2	2		1	1	1
Grade Six						2	3	1	1	1	(1)
Grade Seven						3	5	2	1	1	1
Grade Eight							1	1			
Grade Nine						4		(4)			
Grade Ten						2		(2)			
Grade Eleven						2		(2)			
Grade Twelve						2		(2)			
Subtotal						30	26	(4)	6	5	(1)
Special Education:											
Elementary School						1	2	1	1	1	1
Middle School						3	3		2	2	2
High School						3		(3)			
Subtotal						7	5	(2)	3	3	3
Totals						37	31	(6)	9	8	(1)
Percentage Error						-150.00%	0.00%	19.35%			-11.11%

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2022

	Resident LEP Low Income					
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Grade Five	1	1		1	1	
Subtotal	1	1		1	1	
Totals	<u>1</u>	<u>1</u>		<u>1</u>	<u>1</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2022

	Resident LEP Not Low Income					
	Reported on ASSA as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Grade One	1	1		1	1	
Grade Two	1	1				
Grade Six	1	1				
Grade Seven	1	1		1	1	
Grade Eight	2	2		1	1	
Grade Nine	1		(1)			
Grade Eleven	1		(1)			
Grade Twelve	1		(1)			
Subtotal	<u>9</u>	<u>6</u>	<u>(3)</u>	<u>3</u>	<u>3</u>	
Special Education:						
Elementary School	1	1				
Middle School	1	1		1	1	
High School	1		(1)			
Subtotal	<u>3</u>	<u>2</u>	<u>(1)</u>	<u>1</u>	<u>1</u>	
Totals	<u>12</u>	<u>8</u>	<u>(4)</u>	<u>4</u>	<u>4</u>	
Percentage Error			<u>-33.33%</u>			<u>0.00%</u>



ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2022

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	419	419		18	18	
Regular - Special Education	28	28		2	2	
AIL - Non Public	44	44		2	2	
Special Needs - Public	50	50		2	2	
Special Needs - Private	5	5		1	1	
Totals	546	546		25	25	
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	5.5	5.5
Average Mileage - Regular Excluding Grade PK Students	5.5	5.5
Average Mileage - Special Education with Special Needs	6.4	6.4

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2023

**Regular District**

**Section 1**

**2% Calculation of Excess Surplus**

2022-2023 Total General Fund Expenditures per the ACFR, Ex. C-1	<u>\$ 12,976,985</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>\$ 1,633,781</u> (B2a)	
Assets Acquired Under Capital Leases	<u>\$ 113,157</u> (B2b)	
Adjusted 2022-2023 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 11,230,047</u> (B3)	
2% of Adjusted 2022-2023 General Fund Expenditures [(B5) times .02]	<u>\$ 224,601</u> (B4)	
Enter Greater of (B4) or \$250,000	<u>\$ 250,000</u> (B5)	
Increased by: Allowable Adjustment	<u>\$ 89,081</u> (K)	
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 339,081</u> (M)

**Section 2**

Total General Fund - Fund Balances @ 6/30/2023 (Per ACFR Budgetary Comparison Schedule/Statement)	<u>\$ 419,754</u> (C)	
Decreased by:		
Year-end Encumbrances	<u>\$ 63,795</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)	
Legally Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C3)	
Other Restricted Fund Balances	<u>\$ 289,506</u> (C4)	
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 83,749</u> (C5)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ (17,296)</u> (U)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

**Section 3**

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

**Recapitulation of Excess Surplus as of June 30, 2023**

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ -0- (C3)

Restricted Excess Surplus [(E)] \$ -0- (E)

Total [(C3)+(E)] \$ -0- (D)

**Detail of Allowable Adjustments**

Impact Aid \$ -0- (H)

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

Extraordinary Aid \$ 75,353 (J1)

Additional Nonpublic School Transportation Aid \$ 13,728 (J2)

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

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

Total Adjustments (H)+(I)+(J1)+(J2)+(J3) \$ 89,081 (K)

**Detail of Other Restricted Fund Balances**

Statutory Restrictions:

Approved Unspent Separate Proposal \$ -0-

Sale/Lease-back Reserve \$ -0-

Capital Reserve \$ 203,532

Maintenance Reserve \$ 71,813

Tuition Reserve \$ -0-

Emergency Reserve \$ -0-

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 Capital Fund Reserve (Sections 8007 and 8008) \$ -0-

Unemployment Compensation \$ 14,161

Other Restricted Fund Balance not Noted Above \$ -0-

Total Other Restricted Fund Balance \$ 289,506 (C-4)

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2023

It is recommended that:

1. Administrative Practices and Procedures  
None
2. Financial Planning, Accounting and Reporting  
2023-001: The District contains all required signatures on all purchase orders.  
2023-002: The District prepare and maintain an analysis of the Payroll Agency balance.  
2023-003: The District take greater care when monitoring the budget and recording daily transactions to ensure that appropriation lines are not over-expended.  
2023-004: The District take greater care in monitoring expenditures to ensure cash deficits in the Rutherford Hall Enterprise Fund do not occur and a corrective Action Plan should be implemented to address the deficit in net position.  
2023-005: The District take greater care when preparing the budget and appropriations be monitored on a monthly basis to prevent a deficit in fund balance.  
2023-006: The District ensure bank reconciliations be completed in a timely manner.  
2023-007: The monthly treasurer's report is supported by bank reconciliations.
3. School Purchasing Program  
2023-008: The District go through the proper bid process for all vendors that are going to exceed the bid threshold.
4. School Food Service  
None
5. Student Body Activities  
2023-009: The District take greater care when preparing the ASSA summary to ensure the reported students agree to the on-roll registers.
6. Application for State School Aid  
None
7. Pupil Transportation  
None
8. Travel Expenses and Travel Reimbursement Policy  
None
9. Facilities and Capital Assets  
None

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

It is recommended that: (Cont'd)

10. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding purchases orders being charged to the correct appropriation account and Rutherford Hall have been corrected. The prior year recommendations regarding bank reconciliations, Payroll Agency analysis of balance, and over-expenditures have not been resolved and are included as recommendations.