

BOROUGH OF BRIELLE SCHOOL DISTRICT

AUDITOR'S MANAGEMENT REPORT

COUNTY OF MONMOUTH

JUNE 30, 2023

**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
Brielle 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 Brielle School District in the County of Monmouth for the year ended June 30, 2023 and have issued our report thereon dated January 15, 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 report is intended for the information of the Brielle 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

January 15, 2024

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING

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

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

Officials Bond

| <u>Name</u> | <u>Position</u> | <u>Amount</u> |
|--------------------|---|----------------------|
| Diane Quigley | Board Secretary/School Business Administrator | \$ 360,000.00 |
| Loretta Hill | Treasurer | 360,000.00 |

There is a Public Employees' Faithful Performance Blanket Position Bond under the blanket policy covering all other employees with multiple coverage of \$100,000.00.

Tuition Charges

A comparison of tentative charges and actual certified tuition charges was made. 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: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, certifications, 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.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable. All exceptions were adjusted.

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 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-2.4*. 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.

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 good order, all reconciliation's were prepared on a monthly basis.

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 projects under Title I, Title IIA and Title IV 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 filed with Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

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 \$20,200 for 2022-23.

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 School Food Service Program has not been audited as a major program and has not expended \$100,000 or more in Federal and State Support.

The financial transactions and statistical records of the School Food Services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

The School District opted out of the National Lunch Program in 2022-2023.

Cash receipts and bank records were reviewed for timely deposits per state guidelines.

The cash disbursement records reflected expenditures for program related goods and services. The District deposited and expended program monies in accordance with *N.J.S.A. 18A:17-34*, and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

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

Expenditures were separately recorded as food, labor and other costs. Simplified Culinary Services inventory records on food supply items were maintained and applied in determining the cost of food and supplies used.

School Food Service Fund (Continued)

The 2022-23 operations produced a net loss of \$14,255.

All vendor discounts, rebates and credit from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

In 2022-23, Brielle again was not part of the Child Nutrition Program and therefore did not receive any federal or state reimbursements.

In 2022-23, Brielle Board of Education contracted with Simplified Culinary Services to provide student meals. The District paid Simplified Culinary Services a \$15,000 Management fee during the year.

Scholarship Fund

These funds were maintained in savings accounts, which were administered by the Business Administrator's office.

Student Body Activities

During our review of the student activity funds, no exceptions were noted.

Application for State School Aid

Our audit procedures included a test of information reported in October 15, 2022 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 2022-23 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.

Travel & Attorney's Log**Travel Log**

The log was examined and found to be properly kept, and all required supporting documentation was present.

Attorney's Log

The log was examined and found to be properly maintained.

Prior Year Recommendations

There were no prior year recommendations.

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.

2% Calculation of Excess Surplus

| | |
|--|----------------------|
| 2022-23 Total General Fund Expenditures Per the ACFR | \$ 17,979,990 |
| Decreased by: | |
| On-Behalf TPAF Pension & Social Security | <u>(2,387,740)</u> |
| Adjusted 2022-23 General Fund Expenditures | <u>\$ 15,592,250</u> |
| 2% of Adjusted 2022-23 General Fund Expenditures | <u>\$ 311,845</u> |
| Enter Above or \$250,000 Whichever is Greater | \$ 311,845 |
| Increased by Allowable Adjustment | <u>285,856</u> |
| Maximum Unassigned Fund Balance | <u>\$ 597,701</u> |

Section 2

| | |
|---|--------------------|
| Total General Fund – Fund Balance @ 6-30-23 | \$ 5,095,466 |
| Decreased by: | |
| Reserved for Unemployment | (65,208) |
| Reserve for Encumbrances | (33,016) |
| Designated for Subsequent Years Expenditures – General Fund | (549,254) |
| Designated for Subsequent Years Expenditures – Excess Surplus | (357,000) |
| Maintenance Reserve | (459,646) |
| Capital Reserve | <u>(2,855,210)</u> |
| Total Unassigned Fund Balance | <u>\$ 776,132</u> |

Section 3

| | |
|--|-------------------|
| Reserved Fund Balance – Excess Surplus Designated for Subsequent Years Expenditures | \$ 357,000 |
| Excess Surplus | <u>178,431</u> |
| | <u>\$ 535,431</u> |

Detail of Allowable Adjustments

| | |
|---------------------------|-------------------|
| Extraordinary Aid | \$ 268,044 |
| Non-Public Transportation | <u>17,812</u> |
| | <u>\$ 285,856</u> |

Detail of Other Reserved Fund Balance

| | |
|---------------------|---------------------|
| Maintenance Reserve | \$ 459,646 |
| Capital Reserve | <u>2,855,210</u> |
| | <u>\$ 3,314,856</u> |

BRIELLE SCHOOL DISTRICT

APPLICATION FOR STATE SCHOOL AID SUMMARY

Sheet 1 of 3

ENROLLMENT AS OF OCTOBER 15, 2022

| | 2023-24 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 | | | | from Workpapers | | Registers on Roll | | on Roll | | A.S.S.A. as | Verification | Verified | Errors |
| | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Private Schools | | | |
| Half Day Preschool - 3yrs | 4 | | 4 | | | | | 4 | | 4 | | | | | | |
| Half Day Preschool - 4yrs | 5 | | 5 | | | | | 5 | | 5 | | | | | | |
| Full Day Kindergarten | 45 | | 45 | | | | | 45 | | 45 | | | | | | |
| One | 39 | | 39 | | | | | 39 | | 39 | | | | | | |
| Two | 35 | | 35 | | | | | 35 | | 35 | | | | | | |
| Three | 28 | | 28 | | | | | 28 | | 28 | | | | | | |
| Four | 37 | | 37 | | | | | 37 | | 37 | | | | | | |
| Five | 38 | | 38 | | | | | 38 | | 38 | | | | | | |
| Six | 45 | | 45 | | | | | 45 | | 45 | | | | | | |
| Seven | 40 | | 40 | | | | | 40 | | 40 | | | | | | |
| Eight | 55 | | 55 | | | | | 55 | | 55 | | | | | | |
| Nine | | | | | | | | | | | | | | | | |
| Ten | | | | | | | | | | | | | | | | |
| Eleven | | | | | | | | | | | | | | | | |
| Twelve | | | | | | | | | | | | | | | | |
| Subtotal | <u>371</u> | <u>0</u> | <u>371</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>371</u> | <u>0</u> | <u>371</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Special Ed - Elementary | 53 | | 53 | | | | | 53 | | 53 | | | 4 | 4 | 4 | |
| Special Ed. - Middle School | 25 | | 25 | | | | | 25 | | 25 | | | | | | |
| Special Ed. - High School | | | | | | | | | | | | | 4 | 4 | 4 | |
| Subtotal | <u>78</u> | <u>0</u> | <u>78</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>78</u> | <u>0</u> | <u>78</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>8</u> | <u>8</u> | <u>8</u> | <u>0</u> |
| Co. Voc. - Regular | | | | | | | | | | | | | | | | |
| Co. Voc. - Ft. Post Sec. | | | | | | | | | | | | | | | | |
| Totals | <u>449</u> | <u>0</u> | <u>449</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>449</u> | <u>0</u> | <u>449</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>8</u> | <u>8</u> | <u>8</u> | <u>0</u> |
| Percentage Error | | | | | <u>0%</u> | <u>0%</u> | | | | | | | | | | <u>0%</u> |

BRIELLE SCHOOL DISTRICT

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2022

LOW INCOME STUDENTS

| | 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 |
| Full Day Kindergarten | 1 | 1 | | 1 | 1 | |
| Grade 1 | | | | | | |
| Grade 2 | 1 | 1 | | 1 | 1 | |
| Grade 3 | 2 | 2 | | 2 | 2 | |
| Grade 4 | 2 | 2 | | 2 | 2 | |
| Grade 5 | 2 | 2 | | 2 | 2 | |
| Grade 6 | 1 | 1 | | 1 | 1 | |
| Grade 7 | 2 | 2 | | 2 | 2 | |
| Grade 8 | | | | | | |
| Special Ed - Elementary | 3 | 3 | | 3 | 3 | |
| Special Ed - Middle | 2 | 2 | | 2 | 2 | |
| Totals | 16 | 16 | 0 | 16 | 16 | 0 |
| Percentage Error | | | 0% | | | 0% |

LEP STUDENTS - NOT LOW INCOME - N/A

| | Reported on ASSA as LEP - Not Low Income | Reported on Workpapers as LEP - Not Low Income | Errors | Sample Selected from Workpapers | Verified to Test Score and Register | Sample Errors |
|------------------|---|---|---------------|--|--|--------------------------|
| Totals | 0 | 0 | 0 | 0 | 0 | 0 |
| Percentage Error | | | 0% | | | 0% |

BRIELLE SCHOOL DISTRICT

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2022

LEP STUDENTS - LOW INCOME

| | Reported on ASSA as LEP Low Income | Reported on Workpapers as LEP Low Income | Errors | Sample Selected from Workpapers | Verified to Test Score and Register | Sample Errors |
|-------------------------|---|---|---------------|--|--|--------------------------|
| Grade 3 | 1 | 1 | | 1 | 1 | |
| Grade 4 | 1 | 1 | | 1 | 1 | |
| Special Ed - Elementary | 2 | 2 | | 2 | 2 | |
| Special Ed - Middle | 1 | 1 | | 1 | 1 | |
| Totals | 5 | 5 | 0 | 5 | 5 | 0 |
| Percentage Error | | | 0% | | | 0% |

TRANSPORTATION

| | Reported on DRTRS by DOE | Reported on DRTRS by District | Errors | Tested | Verified | Errors |
|--|---|--|---------------|---------------|-----------------|---------------------|
| Reg. - Public Schools | 48 | 48 | | 48 | 48 | |
| Transported - Non-Public | 37 | 37 | | 37 | 37 | |
| Special Education - Public School | 5 | 5 | | 5 | 5 | |
| Special Needs - Public & Private | 11 | 11 | | 11 | 11 | |
| Totals | 101 | 101 | 0 | 101 | 101 | 0 |
| Percentage Error | | | 0% | | | 0% |
| | | | | | Reported | Recalculated |
| Avg. Mileage - Regular Including Grade PK Students | | | | | 8.1 | 8.1 |
| Avg. Mileage - Special Ed. With Special Needs | | | | | 24.0 | 24.0 |

BRIELLE SCHOOL DISTRICT
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 findings.