

**TOWNSHIP OF DEPTFORD
SCHOOL DISTRICT
COUNTY OF GLOUCESTER**

**AUDITOR'S MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE
AND PERFORMANCE**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Auditor's Management Report on Administrative
Findings - Financial, Compliance and Performance

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**AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

The Honorable President and
Members of the Board of Education
Township of Deptford School District
County of Gloucester, 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 basic financial statements of the Board of Education of the Township of Deptford School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2023, which were separately issued in the Annual Comprehensive Financial Report dated March 8, 2024.

As part of our audit, we also 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 issued in conjunction with the Annual Comprehensive Financial Report of the Board of Education of the Township of Deptford School District, for the fiscal year ended June 30, 2023, and is intended for the information of the 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.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael P. Cragin, Jr.
Certified Public Accountant
Public School Accountant No. 20CS00255100

Voorhees, New Jersey
March 8, 2024

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

SCOPE OF AUDIT

The audit covered the financial transactions of the Board Secretary / School Business Administrator and the 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 School District's Annual Comprehensive Financial Report (ACFR).

Official Bonds (N.J.S.A. 18A: 17-26, 18A:17-32, 18A:13-13)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Robert Delengowski	Interim Board Secretary / School Business Administrator	\$ 718,000.00

There is a Public Employee's Faithful Performance Blanket Position Bond with Dalton Company covering all other employees with multiple coverage of \$5,000,000.00.

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 under audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the School District.

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

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The School District 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-17.1(f)3.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING

Examination of Claims

Sampled claims paid during the fiscal year under audit did not indicate any reportable noncompliance with respect to signatures, certification, or supporting documentation.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)

Payroll Account

The net salaries of sampled employees of the School District were deposited in the net payroll account. Employees' payroll deductions and the employer's share of fringe benefits were deposited in the payroll agency account.

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

Sampled salary withholdings were promptly remitted to the proper agencies, including health benefit premium withholdings due to the general fund.

Sampled payrolls were delivered to the Board Secretary / School Business Administrator who then deposited with warrants in separate bank accounts for net payroll and withholdings.

Employee Position Control Roster

A sample of the Employee Position Control Roster indicated that it was in satisfactory condition and was approved by the county office submission with the 2022-2023 budget review checklist.

Encumbrances and Accounts Payable

A sample of outstanding issued purchase orders was made as of June 30 for proper classification of orders as encumbrances and accounts payable. Our sample indicated the following reportable noncompliance with respect to classification of orders.

Finding No. 2023-001 (ACFR Finding No. 2023-001)

During our audit, we noted that the internal controls over recording and monitoring of the purchase order / accounts payable accounting system were insufficient to provide an accurate list of purchase orders as of June 30, 2023.

Recommendation

That the School District improve their internal controls over recording and monitoring of the purchase order / accounts payable accounting system to ensure that the School District is in compliance with School District Audit Program.

Travel

Our procedures performed on travel expenditures during the fiscal year under audit did not indicate any reportable noncompliance.

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 randomly sampled expenditure transactions. We also tested the coding of all expenditures included in our compliance and single audit sampling procedures. In addition, a sample was selected that specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. Our samples did not indicate any reportable noncompliance with respect to classification of expenditures.

Board Secretary's Records

Our audit of the financial and accounting records maintained by the Board Secretary indicated that they were in satisfactory condition.

Board Designee's Records

Our audit of the financial and accounting records maintained by the Board Designee indicated that they were in satisfactory condition.

FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)

Pupil Transportation

Our audit procedures included a sample of on-roll status reported in the 2022-23 District Report of Transported Resident Students (DRTRS). The information that was reported on the DRTRS was verified to the DRTRS Eligibility Summary Report without material exceptions. The results of our procedures are presented in the schedule of audited enrollments.

We performed procedures over transportation related contracts and purchases. It appears the School District complied with proper bidding procedures and award of contracts.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (E.S.S.A.)

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 Titles I , II, III, and IV of the Every Student Succeeds Act.

The audit of compliance for E.S.E.A. indicated the following reportable noncompliance.

Finding No. 2023-002 (ACFR Finding 2023-002)

The School District failed to maintain proper time and activity reports for employees charged to the Title I grant.

Recommendation

That the District maintain an effective system of internal control over Federal programs as required by the Appendix to 2 CFR Part 225, requiring proper time records for Federal supported salaries,

Other Special Federal and / or State Projects

The School District's other special projects were approved as listed on exhibits K-3 and K-4 located in the ACFR.

Our audit of the federal and state funds on a sample 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 other special projects.

The audit of compliance for other special projects did not indicate any reportable noncompliance.

TPAF Reimbursement

Our audit procedures included a sample of the biweekly reimbursements filed with the Department of Education for School District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's final reports 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 the 90 day grant liquidation period required by the Office of Grants Management and N.J.S.A. 18A:66-90. The expenditure was inspected 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-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and the school contracts in general, are available on the following website:

<https://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>

Current statute is posted on the New Jersey Legislature website at:

<http://www.njleg.state.nj.us/>

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000.00 (with a Qualified Purchasing Agent) and \$32,000.00 (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 \$20,200.00 for 2022-2023.

The School District's 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 audit, 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 agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

SCHOOL FOOD SERVICE

The financial transactions and statistical records of the school food service fund were audited. The financial accounts, meal count records, and eligibility applications were tested on a sample basis. No exceptions were noted.

Cash receipts and bank records were sampled for timely deposit. No exceptions were noted.

The School 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 cost reimbursable or fixed price or non-competitive emergency procurement contract / addendum were inspected and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break-even. The operating results provision has been met. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the food service account and reconciled to supporting documentation at least annually.

Expenditures should be separately recorded as food, labor, and other costs. Vendor invoices were sampled and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

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SCHOOL FOOD SERVICE (CONT'D)

Net cash resources did exceed three months average expenditures.

Finding No. 2023-005 (ACFR Finding No. 2023-005)

The School District's net cash resources exceeded 3 months average expenditures for its nonprofit school food service.

Recommendation

That the School District ensure that its net cash resources does not exceed 3 months average expenditures for its nonprofit school food service.

Sampled time sheets were tested and labor costs verified. Payroll records were maintained on all sampled school food service employees authorized by the School District. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted / certified in a timely manner. Our audit of edit checks found the following reportable noncompliance:

Finding No. 2023-004 (ACFR Finding No. 2023-004)

In several instances the food service daily meal count report did not agree with the School District's edit check worksheets that detail the number of meals served and provides the number of meals used to determine the amount of Federal reimbursement.

Recommendation

That the School District's food service daily meal count reports agree with the edit check worksheets in an effort to request the appropriate amount of Federal reimbursement.

Sampled applications for free and reduced price meals were tested for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications and / or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was inspected for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed; however records were not available for audit.

Finding No. 2023-003 (ACFR Finding No. 2023-003)

The documentation related to the School District's verification report was not available for audit.

Recommendation

That the School District ensure that proper supporting documentation of verification is maintained.

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

The statement of revenues, expenses, and changes in fund net position (ACFR exhibit B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

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

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STUDENT BODY ACTIVITIES

Our audit of the financial and accounting records for student activities indicated that they were in satisfactory condition.

APPLICATION FOR STATE SCHOOL AID

Our audit procedures included a sample of information reported in the October 14, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low-income, and bilingual. We also performed an inspection of the School District procedures related to its completion. The information on the A.S.S.A. was compared to the School District workpapers without exception. The information that was included on the workpapers was verified and indicated the following reportable noncompliance. The results of our procedures are presented in the schedule of audited enrollments and the following was noted:

Finding No. 2023-006 (ACFR Finding 2023-006)

That the School District's workpapers and corresponding documentation agree with the submitted Application for State School Aid (A.S.S.A.) report.

Recommendation

That the School District's workpapers and corresponding documentation agree with the submitted A.S.S.A. report.

The School District maintained workpapers on the prescribed State forms or their equivalent.

The School District has adequate written procedures for the recording of student enrollment data.

FACILITIES AND CAPITAL ASSETS

Our audit of the financial and accounting records for facilities and capital assets indicated that they were in satisfactory condition.

MISCELLANEOUS

Continuing Disclosure Agreements

The School District complied with its most recent continuing disclosure agreements made in relation to prior year bond issuances.

Testing for Lead of All Drinking Water in Education Facilities

The School District complied with all the requirements of N.J.A.C. 6A:26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The School District submitted 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'S FINDINGS

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations. Corrective action has not been taken on the prior year findings. As a result, finding number 2022-001 is repeated in this year's recommendations as current year finding 2023-002 and finding number 2022-002 is repeated in this year's recommendations as current year finding 2023-006.

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2023.

ACKNOWLEDGMENT

We received the complete cooperation of all of the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael P. Cragin, Jr.
Certified Public Accountant
Public School Accountant No. 20CS00255100

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Meal Count Activity
 Food Service Fund
 Number of Meals Served and (Over) / Underclaim - Federal
 Enterprise Fund
 For the Fiscal Year Ended June 30, 2023

<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>Estimated (Over) / Under Claim</u>
National School Lunch (Regular Rate)	Paid	131,131	5,468	8,993	3,525	\$ 0.77	\$ 2,714.25
	Reduced	29,252	1,257	326	(931)	3.93	(3,658.83)
	Free	<u>114,174</u>	<u>4,879</u>	<u>2,469</u>	<u>(2,410)</u>	4.33	<u>(10,435.30)</u>
	Total	<u>274,557</u>	<u>11,604</u>	<u>11,788</u>			<u>(11,379.88)</u>
National School Lunch	HHFKA - PB Lunch Only	<u>274,557</u>	<u>11,604</u>	<u>11,788</u>	<u>184</u>	0.08	<u>14.72</u>
School Breakfast (Severe Need Rate)	Paid	45,470	1,937	2,712	775	0.50	387.50
	Reduced	12,845	560	491	(69)	2.37	(163.53)
	Free	<u>53,132</u>	<u>2,218</u>	<u>1,499</u>	<u>(719)</u>	2.67	<u>(1,919.73)</u>
	Total	<u>111,447</u>	<u>4,715</u>	<u>4,702</u>	<u>(13)</u>		<u>(1,695.76)</u>
After School Snacks	Paid	15,951	-	-	-	0.09	-
	Reduced	1,756	-	-	-	0.54	-
	Free (Area Eligible)	<u>3,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	1.08	<u>-</u>
	Total	<u>21,333</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
Total Net Underclaim / (Overclaim)							<u>\$ (13,060.92)</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Schedule of Net Cash Resources
 Net Cash Resources Did Exceed Three Months of Expenditures
 Proprietary Funds - Food Service Fund
 For the Fiscal Year Ended June 30, 2023

<u>Net Cash Resources:</u>		Food Service B - 4/5	
ACFR			
	Current Assets		
B-4	Cash & Cash Equivalents	\$ 1,363,598.92	
B-4	Due from Other Governments	61,409.76	
B-4	Due from Other Funds		
B-4	Accounts Receivable	75,038.68	
B-4	Investments		
 ACFR			
	Current Liabilities		
B-4	Less Accounts Payable	-	
B-4	Less Accruals	(1,869.00)	
B-4	Less Due to Other Funds	(508,071.01)	
B-4	Less Unearned Revenue	(28,337.56)	
	 Net Cash Resources	\$ 961,769.79	(A)

Net Adjusted Total Operating Expense:

B-5	Total Operating Expenditures	\$ 1,680,756.67	
B-5	Less Depreciation	(7,274.38)	
	 Adjusted Total Operating Expense	\$ 1,673,482.29	(B)

Average Monthly Operating Expense:

B / 10	\$ 167,348.23	(C)
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Three Times Monthly Average:

3 X C	\$ 502,044.69	(D)
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TOTAL IN BOX A	\$ 961,769.79
LESS TOTAL IN BOX D	\$ 502,044.69
NET	\$ 459,725.10
From above:	
A is greater than D, cash exceeds 3 X average monthly operating expenses.	
D is greater than A, cash does not exceed 3 X average monthly operating expenses.	

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 14, 2022

	2023 -2024 Application for State School Aid						Sample for Verification						Private Schools for the Disabled				
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi-cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
Half Day Preschool																	
Full Day Preschool	201		201					87		86			1				
Half Day Kindergarten																	
Full Day Kindergarten	253		253					180		182			(2)				
One	271		271					80		79			1				
Two	246		246					68		68							
Three	256		256					61		61							
Four	241		241					57		57							
Five	246		246					52		52							
Six	262		262					262		262							
Seven	237		237					237		238			(1)				
Eight	269		269					269		267			2				
Nine	235		235					234		234							
Ten	247		247					246		247			(1)				
Eleven	182		182					179		184			(5)				
Twelve	186		186					184		184							
Post-Graduate																	
Adult H.S. (15+CR.)																	
Adult H.S. (1-14CR.)																	
Subtotal	<u>3,332</u>	<u>-</u>	<u>3,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,196</u>	<u>-</u>	<u>2,201</u>	<u>-</u>	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Education-Elementary	325		325					42		41			1		10	10	10
Special Education-Middle School	161		161					160		160				7	7	7	
Special Education-High School	239		239					237		234			3		17	17	16
Subtotal	<u>725</u>	<u>-</u>	<u>725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>439</u>	<u>-</u>	<u>435</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>34</u>	<u>34</u>	<u>33</u>	<u>1</u>
Co. Voc. - Regular																	
Co. Voc. Ft. Post Sec.																	
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>4,057</u>	<u>-</u>	<u>4,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,635</u>	<u>-</u>	<u>2,636</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>34</u>	<u>34</u>	<u>33</u>	<u>1</u>
Percentage Error					<u>-</u>	<u>-</u>						<u>-0.04%</u>	<u>-</u>				<u>2.94%</u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 14, 2022

	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 Application, Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool	57	57		3	3							
Half Day Kindergarten												
Full Day Kindergarten	83	83		15	15		10	10		8	1	7
One	109	109		8	7	1	7	7		3	3	
Two	82	82		7	5	2	5	5		2	2	
Three	88	88		8	7	1	2	2		2	1	1
Four	93	93		8	6	2	1	1		3	3	
Five	85	85		8	7	1						
Six	92	92		27	24	3	1	1				
Seven	74	74		21	17	4	2	2		1	1	
Eight	93	93		25	17	8	1	1				
Nine	86	86		24	21	3	1	1		1		1
Ten	63	63		17	15	2						
Eleven	59	59		16	15	1	3	3		2	2	
Twelve	59	59		17	13	4	2	2		2	1	1
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14CR.)												
Subtotal	1,123	1,123	-	204	172	32	35	35	-	24	14	10
Special Education-Elementary	134	134		7	6	1	1	2	(1)	2	1	1
Special Education-Middle School	69	69		21	20	1						
Special Education-High School	101	101		30	28	2						
Subtotal	304	304	-	58	54	4	1	2	(1)	2	1	1
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	1,427	1,427	-	262	226	36	36	37	(1)	26	15	11
Percentage Error			-			13.74%			-2.78%			42.31%

	Transportation						Reg. Avg. (Mileage) = Regular Including Grade PK students (Part)	Reg. Avg. (Mileage) = Regular Excluding Grade PK students (Par)	Spec. Avg. (Mileage) = Special Ed. with Special Needs	Re-Reported	Re-Calculated
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors					
Reg. - Public Schools, Col. 1	2,031	2,031		238	234	4				3.8	3.8
Reg. - SpEd, Col. 4	5	5		1		1				3.9	3.9
Transported - Non-Public, Col. 3	137	137		16	16					4.6	4.6
Special Needs, Col. 6	194	194		23	24	(1)					
Totals	2,367	2,367	-	278	274	4					
Percentage Error			-			1.44%					

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT

Application for State School Aid Summary

Schedule of Audited Enrollments

Enrollment as of October 14, 2022

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	7	7		5	1	4
One	4	4				
Two	4	4		3	3	
Three	2	2		4	4	
Four	3	3		3	3	
Five	2	2		1	1	
Six	2	2		2	1	1
Seven	1	1		1	1	
Eight	1	1		2	2	
Nine	2	2		2	1	1
Ten	4	4		3	3	
Eleven	2	2		1		1
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14CR.)						
Subtotal	<u>34</u>	<u>34</u>	<u>-</u>	<u>27</u>	<u>20</u>	<u>7</u>
Special Education-Elementary						
Special Education-Middle School						
Special Education-High School						
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u><u>34</u></u>	<u><u>34</u></u>	<u><u>-</u></u>	<u><u>27</u></u>	<u><u>20</u></u>	<u><u>7</u></u>
Percentage Error			<u><u>-</u></u>			<u><u>25.93%</u></u>

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Application for State School Aid Summary
Schedule of Audited Enrollments
Enrollment as of October 14, 2022

<u>Military Connected Students</u>			
<u>Reported on A.S.S.A. as Military Connected Students</u>	<u>Sample for Verification</u>	<u>Sample Verified</u>	<u>Sample Errors</u>
-	-	-	-

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT

SECTION 1

2% Calculation of Excess Surplus

2022-23 Total General Fund Expenditures Reported on ACFR Exhibit C-1	\$ 88,667,493.33 (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	_____ 16,573,685.50 (B2a)
Assets Acquired Under Capital Leases	_____ (B2b)
Adjusted 2022-23 General Fund Expenditures [(B)+(B1s)-(B2s)]	<u>\$ 72,093,807.83 (B3)</u>
2% of Adjusted 2022-23 General Fund Expenditures [(B3) times .02]	<u>\$ 1,441,876.16 (B4)</u>
Enter Greater of (B4) or \$250,000	<u>1,441,876.16 (B5)</u>
Increased by: Allowable Adjustment *	<u>578,523.00 (K)</u>
Maximum Unassigned Fund Balance [(B5) + (K)]	<u>\$ 2,020,399.16 (M)</u>

SECTION 2

Total General Fund - Fund Balances at June 30, 2023 (Per ACFR Budgetary Comparison Schedule, Ex. C-1)	\$ 20,981,129.06 (C)
Decreased by:	
Year-End Encumbrances	_____ 449,813.24 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	_____ (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	<u>4,183,722.53 (C3)</u>
Other Restricted Fund Balances ****	<u>6,584,390.79 (C4)</u>
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	<u>1,876,618.47 (C5)</u>
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 7,886,584.03 (U1)</u>

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0-	<u>\$ 5,866,184.87 (E)</u>
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Recapitulation of Excess Surplus as of June 30, 2023

Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 4,183,722.53 (C3)
Restricted - Excess Surplus *** [(E)]	<u>5,866,184.87 (E)</u>
Total Excess Surplus [(C3)+(E)]	<u>\$ 10,049,907.40 (D)</u>

EXCESS SURPLUS CALCULATION (CONT'D)

REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT

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:7F-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, 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);

(J1) Extraordinary Aid;

(J2) Additional Nonpublic School Transportation Aid;

(J3) Recognized current year School Bus Advertising Revenue; and

(J4) Family Crisis Transportation Aid.

(J5) Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023

Detail of Allowable Adjustments

Federal Impact Aid	_____ (H)
Sale & Lease-back	_____ (I)
Extraordinary Aid	\$ 566,200.00 (J1)
Additional Nonpublic School Transportation Aid	_____ (J2)
Current Year School Bus Advertising Revenue Recognized	_____ (J3)
Family Crisis Transportation Aid	_____ (J4)
Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023	_____ (J5)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	 <u>\$ 578,523.00 (K)</u>

** This amount represents the June 30, 2023 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031.

*** Amounts must agree to the June 30, 2023 ACFR and must agree to Audit Summary Line 90030.

**** Amount for Other Restricted Fund Balances 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 another type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	_____
Sale/lease-back reserve	_____
Capital reserve	\$ 5,852,794.00
Maintenance reserve	_____
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 Capital Fund Reserve (Sections 8007 and 8008)	_____
Other state/government mandated reserves	_____
Restricted for Unemployment	731,596.79
[Other Restricted Fund Balance not noted above]****	_____
 Total Other Restricted Fund Balance	 <u>\$ 6,584,390.79 (C4)</u>

TOWNSHIP OF DEPTFORD 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

That the School District improve their controls over recording and monitoring of the purchase order / accounts payable accounting system to ensure that the School District is in compliance with School District Audit Program.

That the District maintain an effective system of internal control over Federal programs as required by the Appendix to 2 CFR Part 225, requiring proper time records for Federal supported salaries,

3. School Purchasing Programs

None

4. School Food Service

That the School District ensure that its net cash resources does not exceed 3 months average expenditures for its nonprofit school food service.

That the School District's food service daily meal count reports agree with the edit check worksheets in an effort to request the appropriate amount of Federal reimbursement.

That the School District ensure that proper supporting documentation of verification is maintained.

5. Student Body Activities

None

6. Application for State School Aid

That the School District's workpapers and corresponding documentation agree with the submitted A.S.S.A. report.

7. Facilities and Capital Assets

None

8. Miscellaneous

None

TOWNSHIP OF DEPTFORD SCHOOL DISTRICT
Audit Recommendations Summary
For the Fiscal Year Ended June 30, 2023

Recommendations (Cont'd):

9. Follow-Up on Prior Year Findings

A review was performed on the prior year recommendations and corrective action was not taken on prior year findings. As a result they are repeated in this year's recommendations:

That the District maintain an effective system of internal control over Federal programs as required by the Appendix to 2 CFR Part 225, requiring proper time records for Federal supported salaries,

That the School District's workpapers and corresponding documentation agree with the submitted Application for State School Aid (A.S.S.A.) report.

