

EAST WINDSOR REGIONAL SCHOOL DISTRICT

**Hightstown, New Jersey
County of Mercer**

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

JUNE 30, 2023



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INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Education
East Windsor Regional School District
County of Mercer
Hightstown, New Jersey

We have audited, in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the East Windsor Regional School District, County of Mercer as of and for the year ended June 30, 2023, and have issued our report thereon dated March 29, 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 solely for the information of the East Windsor Regional School District's management, Board of Education members, and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 29, 2024

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

Scope of Audit

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

Administrative Practices and Procedures

Insurance

Insurance coverage was carried in the amounts as detailed on J-20, Insurance Schedule contained in the District's 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>
Paul Todd	Board Secretary / School Business Administrator	\$ 600,000

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 district.

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 District made a proper adjustment to the billings to sending Districts for the increase or 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

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

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/Business Administrator.

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

Payrolls were delivered to the Secretary of the Board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

No exceptions were noted.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster did not identify any inconsistencies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

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. The following was identified:

Finding 2023-001:

During our testing of encumbrances payable and accounts payable, we noted certain encumbrances, in which the goods and/or services were received, but the transaction was not recorded as an accounts payable. For all items tested, the funds were encumbered and resulted in a reclass to accounts payable and recording the related expenditure.

Recommendation

We suggest the District review all significant purchase orders at year end to ensure they are properly classified as an encumbrance or accounts payable.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-16.2(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, we also selected a sample of administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. 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.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary did not identify any exceptions.

Treasurer's Records (optional position)

No exceptions were noted during our review of the financial and accounting records maintained by the Assistant Business Administrator.

Elementary and Secondary Education Act (ESEA) as amended by the Every Student Succeeds Act (ESSA)

The ESEA financial exhibits are contained within the Special Revenue Section of the Annual Comprehensive Financial Report (ACFR). This section of the ACFR documents the financial position pertaining to the projects under Title I and Title IV of the Elementary and Secondary Education act as amended and reauthorized.

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 Schedules A (K-3) and B (K-4) 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 instances of noncompliance that are required to be reported in accordance with the Uniform Guidance or State OMB Circular 15-08.

T.P.A.F. Reimbursement

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

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

The amount of the expenditure charged to the current year's Final 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 not made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Non-Public State Aid

Our review of Nonpublic State Aid completion reports disclosed no exceptions.

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 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, I 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.

No exceptions were identified.

School Food Service

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and *N.J.S.A.* 18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

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 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.

The Statement of Revenues, Expenses, and Changes in Fund Net Positions (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 student, 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. The FSMC did not apply for and receive a loan in accordance with the Payroll Protection Plan.

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

Student Body Activities

No exceptions were noted during our testing of the student activity funds.

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 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 as identified in the Schedule of Audited Enrollments with minor exceptions.

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

Because Transportation Aid was not tested as a major program in the 2023 fiscal year, our audit procedures did not include a test of on-roll status reported in the 2022-2023 District Report of Transported Resident Students (DRTRS). We did agree the information presented on the DRTRS by the County/NJDOE and compared the information presented by the District without exception.

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 specification 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.

Facilities and Capital Assets

Our procedures included a review of New Jersey Schools Development Authority (“NJSDA”) grant agreements for consistency with recording the NJSDA revenue, transfer of local funds from the General Fund or from the capital reserve and awarding of contracts for eligible facilities construction. No exceptions were noted.

Miscellaneous

Testing for Lead of All Drinking Water in Educational Facilities

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The school district submitted the annual Statement of Assurance to the Department of Education pursuant to N.J.A.C. 6A:26-12.4(g). The following was identified.

Finding 2023-002:

We noted the District did not submit the annual Statement of Assurance to the New Jersey Department of Education by June 30th.

Recommendation:

We suggest the District ensure that the annual filing is submitted by the June 30th deadline in the future.

Other Suggestions to Management

For the year ended June 30, 2023, the food service net cash resources exceeded three times the average food service monthly operating expenses. We suggest the District develop a plan for the excess funds to be utilized in the subsequent year’s allowable expenses that will further support the operation and enhance the child nutrition program, such as improving the nutritional quality of the food or purchasing equipment for the cafeteria as outlined in 7 CFR 210.14(a).

During the year, we noted that certain reconciliations and monthly close outs were not being performed or reviewed timely. This was the result of turnover and illness in certain positions whose responsibilities impact the monthly close and reconciliation processes. To address the issues, the District contracted with licensed individuals who assisted in updating the internal records and performing the necessary reconciliations in order to close out the financial records for the year ended June 30, 2023. Since appropriate corrective action was taken by the District, we did not include a formal recommendation.

Follow-up on Prior Year's Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on all prior year findings.

There were no audit report issued by the Office of Fiscal Accountability and Compliance ("OFAC") during the 2023 fiscal year.

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.

SCHEDULE OF AUDITED ENROLLMENTS

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2022**

	Application for State School Aid						Sample for Verification						Private Schools for 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 Veri- cation	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared					
3 Preschool	5.0	-	5.0	-	-	-	5.0	-	5.0	-	-	-	-	-	-	-	-
4 Preschool	15.0	-	15.0	-	-	-	15.0	-	15.0	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	313.0	-	313.0	-	-	-	165.0	-	165.0	-	-	-	-	-	-	-	-
One	336.0	-	336.0	-	-	-	187.0	-	187.0	-	-	-	-	-	-	-	-
Two	311.0	-	311.0	-	-	-	161.0	-	161.0	-	-	-	-	-	-	-	-
Three	311.0	-	311.0	-	-	-	173.0	-	173.0	-	-	-	-	-	-	-	-
Four	331.0	-	331.0	-	-	-	161.0	-	161.0	-	-	-	-	-	-	-	-
Five	328.0	-	328.0	-	-	-	156.0	-	156.0	-	-	-	-	-	-	-	-
Six	325.0	-	325.0	-	-	-	325.0	-	325.0	-	-	-	-	-	-	-	-
Seven	355.0	-	355.0	-	-	-	355.0	-	355.0	-	-	-	-	-	-	-	-
Eight	335.0	-	335.0	-	-	-	335.0	-	335.0	-	-	-	-	-	-	-	-
Nine	363.0	-	363.0	-	-	-	363.0	-	363.0	-	-	-	-	-	-	-	-
Ten	370.0	-	370.0	-	-	-	370.0	-	370.0	-	-	-	-	-	-	-	-
Eleven	309.0	31.0	309.0	31.0	-	-	309.0	31.0	309.0	31.0	-	-	-	-	-	-	-
Twelve	342.0	31.0	342.0	31.0	-	-	342.0	31.0	342.0	31.0	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	4,349.0	62.0	4,349.0	62.0	-	-	3,422.0	62.0	3,422.0	62.0	-	-	-	-	-	-	-
Special Ed - Elementary	305.0	-	305.0	-	-	-	74.0	-	74.0	-	-	-	6.0	5.0	5.0	-	-
Special Ed - Middle School	162.0	-	162.0	-	-	-	162.0	-	162.0	-	-	-	5.0	4.0	4.0	-	-
Special Ed - High School	163.0	29.0	163.0	29.0	-	-	163.0	29.0	163.0	29.0	-	-	14.0	13.0	13.0	-	-
Subtotal	630.0	29.0	630.0	29.0	-	-	399.0	29.0	399.0	29.0	-	-	25.0	22.0	22.0	-	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	4,979.0	91.0	4,979.0	91.0	-	-	3,821.0	91.0	3,821.0	91.0	-	-	25.0	22.0	22.0	-	-
Percentage Error					0.00%	0.00%					0.00%	0.00%					0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2022**

Note: Detailed testing over DRTRS was not performed for the fiscal year ending June 30, 2023 as Transportation Aid was not tested as a major program in the current year for Single Audit purposes.

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	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
	3 Preschool	-	-	-	-	-	-	-	-	-	-	-
4 Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	97.0	97.0	-	21.0	21.0	-	49.0	49.0	-	14.0	14.0	-
One	118.0	118.0	-	19.0	19.0	-	68.0	68.0	-	18.0	18.0	-
Two	128.0	128.0	-	19.0	19.0	-	72.0	72.0	-	13.0	13.0	-
Three	122.0	122.0	-	21.0	21.0	-	60.0	60.0	-	17.0	17.0	-
Four	142.0	142.0	-	26.0	26.0	-	70.0	70.0	-	25.0	25.0	-
Five	132.0	132.0	-	31.0	31.0	-	51.0	51.0	-	16.0	16.0	-
Six	114.0	114.0	-	34.0	34.0	-	39.0	39.0	-	12.0	12.0	-
Seven	168.0	168.0	-	17.0	17.0	-	45.0	45.0	-	13.0	13.0	-
Eight	140.0	140.0	-	7.0	7.0	-	28.0	28.0	-	6.0	6.0	-
Nine	134.0	134.0	-	9.0	9.0	-	38.0	38.0	-	7.0	7.0	-
Ten	153.0	153.0	-	12.0	12.0	-	47.0	47.0	-	9.0	9.0	-
Eleven	121.0	121.0	-	31.0	31.0	-	22.0	21.0	1.0	-	-	-
Twelve	144.0	143.0	1.0	17.0	17.0	-	36.0	36.0	-	9.0	9.0	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,713.0	1,712.0	1.0	264.0	264.0	-	625.0	624.0	1.0	159.0	159.0	-
Special Ed - Elementary	156.0	156.0	-	11.0	11.0	-	33.0	33.0	-	8.0	8.0	-
Special Ed - Middle	82.0	82.0	-	7.0	7.0	-	7.0	7.0	-	2.0	2.0	-
Special Ed - High	91.0	89.0	2.0	2.0	2.0	-	2.0	2.0	-	-	-	-
Subtotal	329.0	327.0	2.0	20.0	20.0	-	42.0	42.0	-	10.0	10.0	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	2,042.0	2,039.0	3.0	284.0	284.0	-	667.0	666.0	1.0	169.0	169.0	-
Percentage Error			0.15%			0.00%			0.15%			0.00%

	<u>Transportation</u>						Reg Avg.(Mileage) = Regular Including Grade PK students	Reg Avg.(Mileage) = Regular Excluding Grade PK students	Spec Avg. = Special Ed with Special Needs
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors			
Regular - Public	2,411.0	2,411.0	-	-	-	-		4.4	4.4
Transported Non-Public	-	-	-	-	-	-		4.4	4.4
AIL - Non Public	155.0	155.0	-	-	-	-		4.4	4.4
Special Education - Public	22.5	22.5	-	-	-	-			
Special Education Need	514.5	514.5	-	-	-	-			
Totals	3,103.0	3,103.0	-	-	-	-			
Percentage Error			0.00%			0.00%			

SCHEDULE OF AUDITED ENROLLMENTS

EAST WINDSOR REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
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
3 Preschool	-	-	-	-	-	-
4 Preschool	-	-	-	-	-	-
Full Day Kindergarten	27.0	27.0	-	4.0	4.0	-
One	35.0	35.0	-	11.0	11.0	-
Two	21.0	21.0	-	10.0	10.0	-
Three	18.0	18.0	-	5.0	5.0	-
Four	19.0	19.0	-	3.0	3.0	-
Five	15.0	15.0	-	9.0	9.0	-
Six	15.0	15.0	-	1.0	1.0	-
Seven	15.0	15.0	-	2.0	2.0	-
Eight	13.0	13.0	-	2.0	2.0	-
Nine	14.0	14.0	-	4.0	4.0	-
Ten	12.0	12.0	-	3.0	3.0	-
Eleven	12.0	13.0	(1)	1.0	1.0	-
Twelve	16.0	16.0	-	4.0	4.0	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-
Subtotal	<u>232.0</u>	<u>233.0</u>	<u>(1.0)</u>	<u>59.0</u>	<u>59.0</u>	<u>-</u>
Special Ed - Elementary	7.0	7.0	-	3.0	3.0	-
Special Ed - Middle	3.0	3.0	-	-	-	-
Special Ed - High	1.0	1.0	-	1.0	1.0	-
Subtotal	<u>11.0</u>	<u>11.0</u>	<u>-</u>	<u>4.0</u>	<u>4.0</u>	<u>-</u>
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-
Totals	<u>243.0</u>	<u>244.0</u>	<u>(1.0)</u>	<u>63.0</u>	<u>63.0</u>	<u>-</u>
Percentage Error			<u>-0.41%</u>			<u>0.00%</u>

EAST WINDSOR REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2023

SECTION 1

A. 2% Calculation of Excess Surplus

2022-23 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 134,526,182 (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, PRM, LTD and Social Security	\$ 22,773,748 (B2a)
Assets Acquired Under Capital Leases	\$ 719,749 (B2b)
Adjusted 2022-23 General Fund Expenditures [(B) + (B1s) - (B2s)]	\$ 111,032,685 (B3)
2% of Adjusted 2022-23 General Fund Expenditures [(B3) times .02]	\$ 2,220,654 (B4)
Enter Greater of (B4) or \$250,000	\$ 2,220,654 (B5)
Increased by: Allowable Adjustment*	\$ 712,344 (K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(B5) + (K)]	\$ 2,932,998 (M)

This adjustment line (line (K) as detailed below) is to be utilized for Federal Impact Aid, Sale, Lease-back, Extraordinary Aid, Additional Nonpublic School Transportation Aid, Recognized current year School Bus Advertising Revenue, if applicable. Extraordinary Aid and Additional Nonpublic School Transportation Aid and Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023 for 2022-23 received after June 30 is limited to the amount of revenue recognized in the audit year that was not appropriated.

SECTION 2

Total General Fund - Fund Balances at 6-30-23 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 28,540,468 (C)
Decreased by:	
Assigned Year End Encumbrances	\$ 7,141,728 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____ - (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ 800,000 (C3)
Other Restricted Fund Balances****	\$ 12,685,487 (C4)
Assigned Fund Balance-Unreserved- Designated for Subsequent Year's Expenditures	\$ 2,430,750 (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 5,482,503 (U1)

EAST WINDSOR REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2023

SECTION 3

Restricted Fund Balance - Excess Surplus ***	
[(U1)-(M)] IF NEGATIVE ENTER -0-	\$ <u>2,549,505</u> (E)

Recapitulation of Excess Surplus as of June 30, 2023

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>800,000</u> (C3)
Reserved Excess Surplus *** [(E)]	\$ <u>2,549,505</u> (E)
Total Excess Surplus [(C3)+(E)]	\$ <u>3,349,505</u> (D)

Detail of Allowable Adjustments

Impact Aid	\$ _____ - (H)
Sales & Lease-back	\$ _____ - (I)
Extraordinary Aid	\$ <u>663,984</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>48,360</u> (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)+(J-5)]	\$ <u>712,344</u> (K)

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

*** Amount 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.

EAST WINDSOR REGIONAL SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2023

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$	-
Sale/lease-back reserve	\$	-
Capital reserve	\$	8,512,217
Emergency reserve	\$	-
Maintenance reserve	\$	2,627,910
Tuition reserve	\$	-
School Bus Advertising 50% Fuel Offset-current year	\$	-
School Bus Advertising 50% Fuel Offset-prior year	\$	-
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$	-
Impact Aid General Fund Reserve (Sections 8007 and 8008)	\$	-
Other State / government madated reserve	\$	-
Unemployment Compensation	\$	1,545,360
[Other Restricted Fund Balance not noted above]****	\$	-
Total Other Restricted Fund Balance	\$	12,685,487 (C4)

East Windsor Regional School District
Audit Recommendations Summary
June 30, 2023

We suggest the following:

Administrative Practices and Procedures

None

Financial Planning, Accounting and Reporting

2023-001 - The District review all significant purchase orders at year end to ensure they are properly classified as an encumbrance or accounts payable.

School Purchasing Programs

None

School Food Service

None

Student Body Activities

None

Application for State School Aid

None

Pupil Transportation

None

Facilities and Capital Assets

None

Miscellaneous

2023-002 - The District should ensure that the annual filing for lead testing is submitted by the June 30th deadline in the future.

Status of Prior Year Findings

All prior year findings were corrected.