

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
COUNTY OF HUNTERDON
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
COUNTY OF HUNTERDON
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
TABLE OF CONTENTS

	<u>Page</u>
Cover Letter	1
General Comments:	2
Scope of Audit	2
Administrative Practices and Procedures:	2
Insurance	2
Officials in Office and Surety Bonds	2
P.L. 2020, c.44	2
Tuition Charges	2
Financial Planning, Accounting and Reporting:	2
Examination of Claims	2
Payroll Account and Position Control Roster	3
Year End for Encumbrances and Accounts Payable	3
Classification of General and Administrative Expenditures	3
Board Secretary's Records	4
Treasurer's Records	4
Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student	
Succeeds Act	4
Other Special Federal and/or State Projects	4
T.P.A.F. Reimbursement	5
School Purchasing Programs:	5
Contracts and Agreements Requiring Advertisement for Bids	5
School Food Service	6
Student Body Activities	7
Application for State School Aid	8
Pupil Transportation	8
Facilities and Capital Assets	8
Travel Expense and Reimbursement Policy	8
Testing for Lead of all Drinking Water in Educational Facilities	8
Management Suggestions	9
Status of Prior Year's Findings/Recommendations	9
Schedule of Meal Count Activity	10
Schedule of Net Cash Resources	11
Schedule of Audited Enrollments	12-16
Excess Surplus Calculation	17-18
Summary of Recommendations	19

November 13, 2023

The Honorable President and Members
of the Board of Education
Flemington-Raritan Regional School District
County of Hunterdon, New Jersey

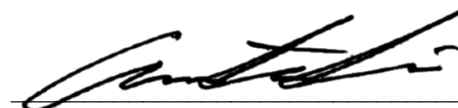
We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Flemington-Raritan Regional School District in the County of Hunterdon for the fiscal year ended June 30, 2023, and have issued our report thereon dated November 13, 2023.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents. This letter does not affect our report dated November 13, 2023, on the financial statements of the Board.

We will review the status of the comments, if any, during our next audit engagement. We have already discussed any comments 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.

This report is intended for the information of the Flemington-Raritan Regional 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



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer, 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>
Tanya Dawson	Business Administrator	\$ 350,000
William J. Hance	Treasurer	\$ 350,000

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.

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

The data certification date does not reflect a submission date later than 60 days after the end of the enrollment period.

Tuition Charges

A comparison of tuition charges and actual receipts and receivables were made. It appears, from our testing, that tuition charges appear to be valid revenues of the District.

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.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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 tested were approved by the Superintendent and certified by the President of the Board, the School Business Administrator, and the Superintendent.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding 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 2023-001:

During our review of the Payroll records, it was noted that the Payroll Agency analysis of balance includes an unidentified balance as well as certain funds which appear to be due to the General Fund.

Recommendation:

It is recommended that the unidentified balance in the Payroll Agency account be reviewed and resolved and any funds due to the General Fund should be remitted in a timely manner. Also, the balances in the Payroll Agency account should be reviewed on a monthly basis in the future.

Management's Response:

The District will review and resolve the unidentified balance in the Payroll Agency account and any funds due to the General Fund will be remitted to that fund. Also, the balances in the Payroll Agency account will be reviewed on a monthly basis in the future.

Year-End 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 year-end encumbrances and accounts payable.

Classification of General and Administrative 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 reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Classification of General and Administrative Expenditures (Cont'd)

Finding 2023-002:

Our audit procedures revealed that certain expenditures related to the joint transportation agreement were charged to the incorrect budget line items per the NJ Department of Education's *Uniform Minimum Chart of Accounts*. These expenditures were reclassified at the direction of the Business Administrator for presentation in the District's ACFR.

Recommendation:

It is recommended that greater care be exercised to ensure that budget expenditures are charged to the appropriate General Fund budget line item per the NJ Department of Education's *Uniform Minimum Chart of Accounts*.

Management's Response:

The District will make every effort to ensure that budget expenditures are charged to the appropriate General Fund budget line item.

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 no comments.

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 no comments except as noted herein.

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, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

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.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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 no exceptions were noted.

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 . . ."

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.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

School Purchasing Programs (Cont'd)

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

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. 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.

School Food Service

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts and meal count records were reviewed on a test-check basis. No exceptions were noted.

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

The District utilizes a food service management company (FMSC) 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 FMSC Cost Reimbursable Fixed Price contract/addendum were reviewed and audited. The FMSC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$50,000. The operating results provision has been met. No exceptions were noted. 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. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

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 nonprofit status of the School Food Service Fund. No exceptions were noted.

The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements.

The FSMC did not apply for and receive a loan in accordance with the Payroll Protection Plan and did not use the funds to pay for costs applicable to the Food Service Programs.

Time sheets and labor costs provided to the District by the Food Service contractor were reviewed on a test basis without exception. Payroll records were maintained on all School Food Service employees authorized by the Board of Education. No exceptions were noted.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

School Food Service (Cont'd)

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications/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 milk (modify as needed) policy was reviewed for uniform administration throughout the school district. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

U.S.D.A. Food Distribution Program commodities (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. 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.

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

Net cash resources exceeded three months average expenditures.

Finding 2023-003:

During our review of the food service program, it was noted that net cash resources exceeded three months average expenditures by \$593,469. As the District has formal plans in place to resolve the net excess cash resources, no formal recommendation is judged to be warranted.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Student Activities records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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 disabled, 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 without exception. The information that was included on the workpapers was verified on a test basis 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 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.

Facilities and Capital Assets

Our procedures included a review of the NJSDA grant agreements for consistency with recording NJSDA revenue, transfer of local funds from the General Fund or from the Capital Reserve Account and awarding of contracts for eligible facilities construction. No exceptions were noted.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal travel policy and procedure pertaining to travel expenses and reimbursements for its employees and board members. The regulations require the District to establish a maximum travel amount for the year and to account for these expenses within a separate account in the budget to ensure that the maximum is not exceeded. The regulations also require that all travel be approved by the Board prior to the event and that the approval list the event, total event cost and the individuals attending. Employees and board members attending an event are then required to complete a post event report to be submitted to a designated person within the District. Overall compliance was noted.

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).

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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.

Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding payroll agency and budget expenditures were not resolved and are included as current year recommendations. The prior year recommendations regarding student activities were resolved in the current year.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDER CLAIM
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL

Program	Meals Claimed	Meals Tested	Meals Verified	Difference	Rate	(Over)/Under Claim
National School Lunch:						
Paid	160,605	38,766	38,766	-0-	\$ 0.77	\$ -0-
Reduced	6,392	2,375	2,375	-0-	3.93	-0-
Free	70,000	16,308	16,308	-0-	4.33	-0-
Total	<u>236,997</u>	<u>57,449</u>	<u>57,449</u>			<u>-0-</u>
HHFKA	236,997	57,449	57,449	-0-	0.08	-0-
School Breakfast:						
(Regular Rate)						
Paid	2,624	714	714	-0-	0.50	-0-
Reduced	394	137	137	-0-	1.96	-0-
Free	5,410	1,465	1,465	-0-	2.26	-0-
(Severe Needs Rate)						
Paid	1,403	291	291	-0-	0.50	-0-
Reduced	292	122	122	-0-	2.37	-0-
Free	5,247	1,277	1,277	-0-	2.67	-0-
Total	<u>15,370</u>	<u>4,006</u>	<u>4,006</u>			<u>-0-</u>
Total Net Overclaim						<u>\$ -0-</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL COMPLIANCE AND PERFORMANCE
SCHEDULE OF NET CASH RESOURCES
FOOD SERVICE FUND
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Current Assets: *	
Cash and Cash Equivalents	\$ 927,655
Intergovernmental Accounts Receivable	42,582
Other Accounts Receivable	_____
	970,237
Current Liabilities:	
Accounts Payable	_____
Unearned Revenue	(18,007)

	(18,007)
Net Cash Resources	\$ 952,230 (A)
<u>Net Adjusted Total Operating Expense:</u>	
Total Operating Expenses	\$ 1,227,958
Less: Depreciation Expense	_____
	(32,087)
Adjusted Total Operating Expenses	\$ 1,195,871 (B)
<u>Average Monthly Operating Expenses:</u>	
(B) / 10	\$ 119,587 (C)
<u>Three Times Monthly Average Operating Expenses:</u>	
3 x (C)	\$ 358,761 (D)
Net Cash Resources	\$ 952,230 (A)
Less: Three Times Monthly Average Operating Expenses	_____
	(358,761) (D)
Exceed / (Does not Exceed)	\$ 593,469 **

* Inventories are not to be included in total current assets.

** Net cash resources does exceed three times monthly average operating expenses.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2022

	2023-2024 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per	
	A.S.A. On Roll		Workpapers On Roll		Full Shared		Workpapers Full Shared		Registers On Roll		Registers On Roll	
Half Day Preschool 3 Years Old	19		19				19		19			
Half Day Preschool 4 Years Old	28		28				28		28			
Full Day Preschool 3 Years Old	292		292				292		292			
Full Day Preschool 4 Years Old	296		296				296		296			
Full Day Kindergarten	294		294				294		294			
Grade One	305		305				305		305			
Grade Two	275		275				275		275			
Grade Three	296		296				296		296			
Grade Four	296		296				296		296			
Grade Five	264		264				264		264			
Grade Six	299		299				299		299			
Grade Seven	2,664		2,664				2,664		2,664			
Grade Eight												
Subtotal	3,136		3,136				2,689		2,689			
Special Education:												
Elementary	304		304				15		15			
Middle School	168		168				10		10			
Subtotal	472		472				25		25			
Totals	3,136		3,136				2,689		2,689			
Percentage Error					0.00%							0.00%

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2022

	Private Schools for Disabled			Resident Low Income			
	Reported on A.S.A. as Private Schools	Sample for Verification	Sample Verified Errors	Reported on A.S.A. as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register Sample Errors
Full Day Kindergarten							
Grade One				53	53	2	2
Grade Two				53	53	2	2
Grade Three				70	70	2	2
Grade Four				54	54	2	2
Grade Five				49	49	2	2
Grade Six				51	51	2	2
Grade Seven				37	37	2	2
Grade Eight				47	47	2	2
Subtotal				46	46	2	2
				460	460	18	18
Special Education:							
Elementary	6	2	2	124	124	4	4
Middle School	3	1	1	73	73	3	3
Subtotal	9	3	3	197	197	7	7
Totals	9	3	3	657	657	25	25
Percentage Error			0.00%			0.00%	0.00%

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2022

	Resident LEP Low Income					
	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 Scores, Application and Register	Sample Errors
Full Day Kindergarten	28	28		2	2	
Grade One	24	24		2	2	
Grade Two	41	41		3	3	
Grade Three	19	19		1	1	
Grade Four	10	10		1	1	
Grade Five	6	6		1	1	
Grade Six	8	8		1	1	
Grade Seven	13	13		1	1	
Grade Eight	7	7		1	1	
Subtotal	156	156		13	13	
Special Ed - Elementary	29	29		2	2	
Subtotal	29	29		2	2	
Totals	185	185		15	15	
			0.00%			0.00%

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2022

	Resident LEP Not Low Income					
	Reported on A.S.A. 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
Full Day Kindergarten	17	17		2	2	
Grade One	13	13		2	2	
Grade Two	7	7		1	1	
Grade Three	6	6				
Grade Four	7	7		1	1	
Grade Five						
Grade Six	4	4		1	1	
Grade Seven	3	3				
Grade Eight	3	3				
Subtotal	60	60		7	7	
Special Ed - Elementary	4	4		1	1	
Special Ed - Middle School	1	1		1	1	
Special Ed - High School						
Subtotal	5	5		2	2	
Totals	65	65		9	9	
Percentage Error			0.00%			0.00%

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
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	1,522	1,522		12	12	
Regular - Special Education	353	353		5	5	
AIL - Non Public	63	63		2	2	
Special Needs - Public	114.0	114.0		4	4	
Special Needs - Private	10.0	10.0		2	2	
Totals	<u>2,062</u>	<u>2,062</u>		<u>25</u>	<u>25</u>	
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	3.6	3.6
Average Mileage - Regular Excluding Grade PK Students	3.6	3.6
Average Mileage - Special Education with Special Needs	4.8	4.8

Average Mileage - Regular Including Grade PK Students
 Average Mileage - Regular Excluding Grade PK Students
 Average Mileage - Special Education with Special Needs

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

REGULAR DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2022-2023 Total General Fund Expenditures per the ACFR	<u>\$ 82,518,085</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)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 15,120,653</u> (B2a)	
Assets Acquired Under Financed Purchases, Leases & SBITAs	<u>\$ -0-</u> (B2b)	
Adjusted 2022-2023 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 67,397,432</u> (B3)	
2% of Adjusted 2022-2023 General Fund Expenditures [(B5) times .02]	<u>\$ 1,347,949</u> (B4)	
Enter Greater of (B4) or \$250,000	<u>\$ 1,347,949</u> (B5)	
Increased by: Allowable Adjustment	<u>\$ 473,356</u> (K)	
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 1,821,305</u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/2023 (Per ACFR Budgetary Comparison Schedule C-1)	<u>\$ 7,989,015</u> (C)	
Decreased by:		
Year-End Encumbrances	<u>\$ 87,223</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)	
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 1,498,806</u> (C3)	
Other Restricted Fund Balances	<u>\$ 1,265,951</u> (C4)	
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 1,047,846</u> (C5)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 4,089,189</u> (U1)

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Section 3

Restricted Fund Balance-Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 2,267,884 (E)

Recapitulation of Excess Surplus as of June 30, 2023

Excess Surplus - Designated for Subsequent Year's Expenditures \$ 1,498,806 (C3)

Excess Surplus [(E)] \$ 2,267,884 (E)

Total [(C3)+(E)] \$ 3,766,690 (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

Sale and Lease Back \$ -0- (I)

Extraordinary Aid \$ 346,631 (J1)

Additional Nonpublic School Transportation Aid \$ 19,656 (J2)

Supplemental Stabilization Aid \$ 107,069 (J3)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)] \$ 473,356 (K)

Detail of Other Restricted Fund Balance

Statutory Restrictions:

Approved Unspent Separate Proposal \$ -0-

Capital Outlay for a District with a Capital Outlay SGLA \$ -0-

Sale/Lease-Back Reserve \$ -0-

Capital Reserve \$ 585,950

Maintenance Reserve \$ 156,231

Tuition Reserve \$ -0-

Unemployment Compensation \$ 523,770

Other State/Governmental Mandated Reserve \$ -0-

Emergency Reserve \$ -0-

Total Other Restricted Fund Balance \$ 1,265,951

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
Finding 2023-001:
The unidentified balance in the Payroll Agency account be reviewed and resolved and any funds due to the General Fund should be remitted in a timely manner. Also, the balances in the Payroll Agency account should be reviewed on a monthly basis in the future.
Finding 2023-002:
Greater care be exercised to ensure that budget expenditures are charged to the appropriate General Fund budget line item per the NJ Department of Education's *Uniform Minimum Chart of Accounts*.
3. School Purchasing Program
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's Findings/Recommendations
The prior year recommendations regarding payroll agency and budget expenditures were not resolved and are included as current year recommendations. The prior year recommendations regarding student activities were resolved in the current year.