

**BOARD OF EDUCATION
OF THE
GREATER EGG HARBOR REGIONAL
HIGH SCHOOL DISTRICT**

AUDITOR'S MANAGEMENT REPORT

ON ADMINISTRATIVE FINDINGS

FINANCIAL, COMPLIANCE AND PERFORMANCE

June 30, 2023



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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REPORT OF INDEPENDENT AUDITORS

Honorable President and
Members of the Board of Education
Greater Egg Harbor Regional High School District
County of Atlantic, 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 general purpose financial statements of the Board of Education of the Greater Egg Harbor Regional High School District, in the County of Atlantic, for the year ended June 30, 2023, and have issued our report thereon dated January 26, 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 and use of the management of the Greater Egg Harbor Regional High School District Board of Education and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

January 26, 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 district's ACFR.

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Thomas Grossi	Board Secretary/Business Administrator	150,000.00
Kimberly Howells	Treasurer	350,000.00

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 school district.

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

If the data certification date reflects submission date later than 60 days after the end of the enrollment period: The original data submission did not require significant revision due to errors or omissions on the part of the district.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with N.J.A.C. 6A-23A-17.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, 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/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

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

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents, and business administrator) to the NJ Department of Treasury was filed by the March 15 due date.

Reporting of employee compensation for income tax related purposes did comply with federal (or state) regulations regarding the compensation which is required to be reported.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster found no 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. No discrepancies were found.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(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, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23-8.2. As a result of the procedures performed, a transaction error rate of 0% was noted and no additional procedures were deemed necessary.

- A. *General Classification Findings. NONE*
- B. *Administrative Classification Findings. NONE*

Board Secretary's Records

The Board Secretary's Records were in satisfactory condition.

Bids received were summarized in the minutes (NJSA 18A:18A-21).

Acknowledgement of the Board's receipt of the Board Secretary's and the Treasurer's monthly financial reports were included in the minutes.

The Board Secretary did file monthly certifications of the budgetary line item status which were consistent with the actual budgetary records.

Budget appropriations were not greater than realized revenues and Board authorized use of surplus.

No budgetary line accounts were over-expended during the fiscal year and at June 30.

Purchase orders were charged to the appropriate line accounts in accordance with State prescribed Uniform Minimum Chart of Accounts (2R2), for New Jersey Public Schools.

Treasurer's Records

The Board Treasurer's Records were in satisfactory condition.

All required reconciliations were performed.

All cash receipts were promptly deposited.

The Treasurers Records were in agreement with the Board Secretary.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2022-23 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also include a review of transportation related contracts and purchases. Based on our review, the School District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

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

The E.S.E.A./NCLB 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 and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. did not indicate areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for Other Special Federal and State Projects revealed no areas of noncompliance and/or questionable costs.

TPAF 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 Teacher's Pension and Annuity Fund. No exceptions were noted with these filings.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for 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. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$20,200 for 2022-2023.

The Board of Education has the responsibility of determining whether the expenditures of any category will exceed the statutory thresholds within the contract year. Where questions arise 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.

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.

Based on the results of my 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 provisions of N.J.S.A. 18A:18A-4, amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

School Food Service

Districts was 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. Districts 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.

The District was 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 financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit. The 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 contract were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit. 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 reviewed, 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.

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.

Net cash resources did exceed three months average expenditures, however the State of New Jersey Department of Agriculture has issued a letter dated October 4, 2023 to all School Districts indicating that these excess funds may be retained by the District and, that the District must develop a plan which projects how excess funds will be expended in support of the program during the upcoming school year. We suggest that the district develop a plan to utilize the excess funds on allowable expenses that support the Federal Child Nutrition Program, such as improving the nutritional quality of food or purchasing equipment for the kitchens and cafeterias as outlined in the Code of Federal Regulations, 7 CFR 210.14(a).

Time sheets were reviewed, and labor costs verified.

Payroll records were maintained on all School Food Services employees authorized by the board of education. 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/were not submitted/certified in a timely manner.

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 free milk policy was reviewed for uniform administration throughout the school system. 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.

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 Assets (ACFR Schedule B-5) does separate program and non-program revenue AND program and non-program cost of goods sold.

Student Body Activities

Overall, the records of the various student activity funds were in satisfactory condition.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low income and bilingual. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent. The District has adequate written procedures for the recording of student enrollment data.

Facilities and Capital Assets

Our audit procedures of facilities and capital assets found no exceptions.

Miscellaneous

The school district did comply with continuing disclosure agreements made in relation to prior year(s) bond issuances.

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 did submit the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12(g).

Follow-up on Prior Year Findings

There were no prior year findings.

Suggestions to Management

The District has accumulated Excess Cash Net Resources in the Food Service Fund due to the influx of additional Federal and State Funding related to the COVID-19 Pandemic. The State of New Jersey Department of Agriculture has issued a letter dated October 4, 2023 to all School Districts indicating that these excess funds may be retained by the District and, that the District must develop a plan which projects how excess funds will be expended in support of the program during the upcoming school year. We suggest that the district develop a plan to utilize the excess funds on allowable expenses that support the Federal Child Nutrition Program, such as improving the nutritional quality of food or purchasing equipment for the kitchens and cafeterias as outlined in the Code of Federal Regulations, 7 CFR 210.14(a).

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.

Respectfully submitted,

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

January 26, 2024

**GREATER EGG HARBOR TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENTS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2022**

	2023-2024 Application for State School Aid						Sample for Verification						Private Schools for Disabled											
	Reported on A.S.S.A. On Roll		Workpapers		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools		Reported on workpapers		Sample for Verification		Sample Verified		Sample Errors			
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared		
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
One	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Two	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Three	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Four	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Five	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Six	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Seven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Eight	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Nine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ten	602	-	602	-	-	-	-	60	60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Eleven	664	-	664	-	-	-	-	66	66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Twelve	571	-	571	-	-	-	-	57	57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Post-Graduate	558	-	558	-	-	-	-	55	55	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adult H.S. (1-14+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	2,395	-	2,395	-	-	-	-	238	238	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Special Ed - Elementary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Special Ed - Middle School	574	-	574	-	-	-	-	57	57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Special Ed - High School	574	-	574	-	-	-	-	57	57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	2,969	-	2,969	-	-	-	-	295	295	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Co. Voc. - FT Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Totals	2,969	-	2,969	-	-	-	-	295	295	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Percentage Error	0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%	

**GREATER EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 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 LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Lunch App. and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-
One	-	-	-	-	-	-	-	-	-	-	-	-
Two	-	-	-	-	-	-	-	-	-	-	-	-
Three	-	-	-	-	-	-	-	-	-	-	-	-
Four	-	-	-	-	-	-	-	-	-	-	-	-
Five	-	-	-	-	-	-	-	-	-	-	-	-
Six	-	-	-	-	-	-	-	-	-	-	-	-
Seven	-	-	-	-	-	-	-	-	-	-	-	-
Eight	-	-	-	-	-	-	-	-	-	-	-	-
Nine	297	297	-	56	56	-	8	8	-	7	7	-
Ten	292	292	-	54	54	-	14	14	-	11	11	-
Eleven	227	227	-	42	42	-	7	7	-	6	6	-
Twelve	232	232	-	43	43	-	3	3	-	3	3	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14+CR)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,048	1,048	-	195	195	-	32	32	-	27	27	-
Special Ed - Elementary	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - Middle School	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - High School	371	371	-	69	69	-	3	3	-	3	3	-
Subtotal	371	371	-	69	69	-	3	3	-	3	3	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	1,419	1,419	-	264	264	-	35	35	-	30	30	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

Transportation

Reported on DRTS by DOE/County	Reported on District	Sample Tested	Verified to Register	Errors
Reg. - Public Schools, col. 1	2,096	228	228	-
Reg - Sp Ed, col. 4	358	39	39	-
Transported - Non-Public, col. 3	41	5	5	-
Transported - Non-Public, AIL	85	10	10	-
Special Ed Special Needs, col. 6	89	9	9	-
Totals	2,669	291	291	-
Percentage Error				0.00%

(from dtrs)

Reported	6.5
Recalculated	6.5
Reported	6.5
Recalculated	13.3

Reg Avg. (Mileage) = Regular Including Grade PK Students (Part A)
Reg Avg. (Mileage) = Regular Excluding Grade PK Students (Part B)
Spec Avg. = Special Ed with Special Needs

GREATER EGG HARBOR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2022

	Resident LEP NOT Low Income		Sample for Verification			
	Reported on A.S.A as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to LEP Score and Register	Sample Errors
Half Day Preschool	-	-	-	-	-	-
Full Day Preschool	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-
One	-	-	-	-	-	-
Two	-	-	-	-	-	-
Three	-	-	-	-	-	-
Four	-	-	-	-	-	-
Five	-	-	-	-	-	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Nine	2	2	-	2	2	-
Ten	6	6	-	5	5	-
Eleven	7	7	-	6	6	-
Twelve	5	5	-	4	4	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14+CR.)	-	-	-	-	-	-
Subtotal	20	20	-	17	17	-
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle School	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-	-	-
Totals	20	20	-	17	17	-
Percentage Error			0.00%			0.00%

**GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2023**

REGULAR DISTRICT

SECTION 1

A. 4% Calculation of Excess Surplus

2022-23 Total General Fund Expenditures per the ACFR, Ex. C-1	\$	88,858,066.75	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	-	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	1,250,875.00	(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	\$	13,513,150.33	(B2a)
Assets Acquired Under Capital Leases		-	(B2b)
Adjusted 2022-23 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$	76,595,791.42	(B3)
2% of Adjusted 2022-23 General Fund Expenditures [(B3) times .04]	\$	1,531,915.83	(B4)
Enter Greater of (B4) or \$250,000	\$	1,531,915.83	(B5)
Increased by: Allowable Adjustment*	\$	638,907.00	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		2,170,822.83	(M)

SECTION 2

Total General Fund - Fund Balances @ 06/30/2023 (Per ACFR Budgetary Comparison Schedule C-1)	\$	8,574,387.91	(C)
Decreased by:			
Year-end Encumbrances	\$	320,542.16	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	-	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	-	(C3)
Other Restricted Fund Balances ****	\$	3,340,057.71	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$	1,000,000.00	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$	3,913,788.04	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER - 0 -	\$	1,742,965.21	(E)
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Recapitulation of Excess Surplus as of June 30, 2023:

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	-	(C3)
Reserved Excess Surplus ***	\$	1,742,965.21	(E)
Total [(C3) + (E)]	\$	1,742,965.21	(D)

**GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2023**

* This adjustment line (as detailed below) is to be utilized for Impact Aid (when applicable), Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10), and Extraordinary Aid, and Additional Nonpublic School Transportation Aid if applicable (Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid).

Detail of Allowable Adjustments

Impact Aid	\$	-	(H)
Sale & Lease-back	\$	-	(I)
Extraordinary Aid	\$	602,488.00	(J1)
Additional Nonpublic School Transportation Aid	\$	36,419.00	(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>638,907.00</u>	 (K)

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

*** Amounts must agree to the June 30, 2023 ACFR and the sum of the two lines must agree to Audit Summary Worksheet Line 90030.

**** Amount for Other Reserved 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 an other type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$	-	
Sale/lease-back reserve	\$	-	
Capital reserve	\$	750,772.48	
Maintenance reserve	\$	1,920,392.87	
Emergency reserve	\$	-	
Tuition reserve	\$	350,000.00	
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 reserve	\$	-	
Reserve for Unemployment Fund	\$	318,892.36	
[Other Restricted Fund Balance not noted above] ****	\$		
 Total Other Restricted Fund Balance	 \$	 <u>3,340,057.71</u>	 (C4)

SCHEDULE OF MEAL COUNT ACTIVITY
GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED – FEDERAL AND (OVER)/UNDERCLAIM
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Verified</u>	<u>Diff.</u>	<u>Rate</u>	<u>(Over) Under Claim</u>
National School Lunch Program	Paid	66,164	66,164	-	\$ 0.8700	\$ -
	Reduced	31,540	31,540	-	\$ 4.0300	-
	Free	108,117	108,117	-	\$ 4.4300	-
	Total	<u>205,821</u>	<u>205,821</u>	<u>-</u>		
School Breakfast	Paid	56,326	56,326	-	\$ 0.5000	-
	Reduced	16,291	16,291	-	\$ 2.3700	-
	Free	53,765	53,765	-	\$ 2.6700	-
	Total	<u>126,382</u>	<u>126,382</u>	<u>-</u>		
Summer Feeding Program	Lunch	3,536	3,536	-	\$ 4.5875	-
Grand Total		<u>400,406</u>	<u>400,406</u>	<u>-</u>		

NET CASH RESOURCE SCHEDULE

**Net cash resources DID exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2023**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	1,132,265.85
B-4		Due from Other Gov'ts	53,814.78
B-4		Accounts Receivable	6,064.77
B-4		Investments	-
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(89,756.07)
B-4		Less Accruals	
B-4		Less Due to Other Funds	
B-4		Less Deferred Revenue	<u>(50,734.06)</u>
		Net Cash Resources	<u>1,051,655.27</u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	1,663,920.02	
B-5	Less Depreciation	<u>(37,793.88)</u>	
	Adj. Tot. Oper. Exp.	<u>1,626,126.14</u>	(B)

Average Monthly Operating Expense:

B / 10	<u>162,612.61</u>	(C)
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Three times monthly Average:

3 X C	<u>487,837.84</u>	(D)
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TOTAL IN BOX A	\$ 1,051,655.27
LESS TOTAL IN BOX D	\$ 487,837.84
NET	<u>\$ 563,817.43</u>
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	

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

SOURCE - USDA resource management comprehensive review form

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2023
GREATER EGG HARBOR REGIONAL HIGH SCHOOL DISTRICT

Recommendations:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
3. School Purchasing Programs
None
4. School Food Service
None
5. Student Body Activities
None
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Miscellaneous
None
10. Status of Prior Year Audit Findings/Recommendations
None